

4343. By Mr. GALLIVAN: Petition of Boston Central Labor Union, P. H. Jennings, secretary-business representative, 987 Washington Street, Boston, Mass., recommending early and favorable consideration of House bills 359, 9959, and 12930, which seek to correct evils and abuses in Government employment; to the Committee on the Civil Service.

4344. By Mr. HOWARD: Petition of Cedar County, Nebr., citizens for increase of pension to all soldiers and their widows of the Civil War; to the Committee on Invalid Pensions.

4345. By Mr. MICHAELSON: Petition of the Norwegian League of Chicago, comprising 52 societies, representing a membership of upward of 25,000 members, favoring restrictive immigration measures, but feel that subdivisions B, C, D, and E of section 11 of the immigration act are unjust; to the Committee on Immigration and Naturalization.

4346. By Mr. O'CONNELL of New York: Petition of John Beckman, 189 Montague Street, Brooklyn, N. Y., with reference to American-owned securities in Germany; to the Committee on Ways and Means.

4347. Also, petition of the Federal-Brandes (Inc.), of New York City, N. Y., concerning adequate legislation on radio control; to the Committee on the Merchant Marine and Fisheries.

4348. By Mr. PHILLIPS: Evidence and affidavits to accompany House bill 15096, for the relief of Albert Power; to the Committee on Claims.

4349. By Mr. PRATT: Petition of 69 citizens of Hudson, Columbia County, N. Y., urging immediate legislation further increasing the rate of pension to Civil War veterans and their widows; to the Committee on Invalid Pensions.

4350. By Mr. ROWBOTTOM: Petition of Mount Vernon (Ind.) Chamber of Commerce, December 8, 1926, O. A. Weillbrenner, president; to the Committee on Rivers and Harbors.

4351. By Mr. SHALLENBERGER: Petition against compulsory Sunday observance; to the Committee on the District of Columbia.

4352. By Mr. WELSH of Pennsylvania: Petition of Woodland Presbyterian Church, Philadelphia, Pa., favoring passage of the Lankford Sunday rest bill for the District of Columbia (H. R. 10311); to the Committee on the District of Columbia.

## SENATE

WEDNESDAY, December 15, 1926

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, whether it is light or dark, Thou art the same yesterday, to-day, and forever. Thou dost enter into our conditions and art ever accessible to those who are hungering and thirsting after righteousness. Create within each heart, we beseech Thee, a great longing after best things and a realization in daily conduct of those things especially which appeal most to human lives about us. Hear and help us through the day. We ask in Jesus Christ's name. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

### CREDENTIALS

The VICE PRESIDENT laid before the Senate the certificate of election of CHARLES CURTIS, of Kansas, which was read and ordered to be placed on file, as follows:

STATE OF KANSAS,  
EXECUTIVE DEPARTMENT,

#### Certificate of election

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 2d day of November, 1926, CHARLES CURTIS was duly chosen by the qualified electors of the State of Kansas a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1927.

Witness his excellency our governor, Ben S. Paulen, and our seal hereto affixed at Topeka, Kans., this 10th day of December, in the year of our Lord 1926.

By the governor:  
[SEAL.]

BEN S. PAULEN, Governor.

FRANK J. RYAN, Secretary of State.

The VICE PRESIDENT laid before the Senate the certificate of election of MILLARD E. TYDINGS, of Maryland, which was read and ordered to be placed on file, as follows:

EXECUTIVE DEPARTMENT,  
ANNAPOLIS, Md.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 2d day of November, 1926, MILLARD E. TYDINGS was duly chosen by the qualified electors of the State of Maryland a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1927.

Witness: His excellency our governor, Albert C. Ritchie, and the great seal of Maryland, hereto affixed, at the city of Annapolis, State of Maryland, this 14th day of December, in the year of our Lord 1926.

ALBERT C. RITCHIE.

By the governor:  
[SEAL.]

DAVID C. WINEBRENNER, 3d,  
Secretary of State.

The PRESIDING OFFICER (Mr. BINGHAM in the chair) laid before the Senate the certificate of election of LEE S. OVERMAN, of North Carolina, which was read and ordered to be placed on file, as follows:

STATE OF NORTH CAROLINA,  
EXECUTIVE DEPARTMENT.

To all to whom these presents shall come, greeting:

Know ye, that we, reposing special trust and confidence in his integrity and knowledge, do by these presents commission LEE S. OVERMAN a Member of the United States Senate, having been elected at the general election, November 2, 1926, to succeed himself for a term of six years, and do hereby confer upon him all the rights, privileges, and powers useful and necessary to the just and proper discharge of the duties of his appointment.

In witness whereof, his excellency, Angus W. McLean, our governor and commander in chief, hath signed with his hand these presents and caused our great seal to be affixed hereto.

Done at our city of Raleigh, this 8th day of December, in the year of our Lord 1926, and in the one hundred and fifty-first year of our American independence.

A. W. McLEAN, Governor.

By the governor:  
[SEAL.]

W. N. EVERETT,  
Secretary of State.

Mr. TRAMMELL presented the certificate of election of DUNCAN U. FLETCHER, of Florida, which was read and ordered to be placed on file, as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 2d day of November, 1926, DUNCAN U. FLETCHER was duly chosen by the qualified electors of the State of Florida a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1927.

Witness: His excellency our governor, John W. Martin, and our seal hereto affixed at Tallahassee, this the 11th day of December, in the year of our Lord 1926.

JOHN W. MARTIN, Governor.

By the governor:  
[SEAL.]

H. CLAY CRANFORD,  
Secretary of State.

### STATE DEPARTMENT ROUTINE REPORTS

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations:

To the Congress of the United States:

I transmit herewith a report by the Secretary of State on matters concerning the Department of State, required by certain provisions of law enumerated in the report.

CALVIN COOLIDGE.

THE WHITE HOUSE,

Washington, December 15, 1926.

### BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILLIS:

A bill (S. 4822) granting an increase of pension to Anna Martin (with accompanying papers); to the Committee on Pensions.

By Mr. WALSH of Montana:

A bill (S. 4824) for the relief of Fannie M. Hollingsworth; to the Committee on Public Lands and Surveys.

A bill (S. 4825) authorizing the payment of certain sums to Roosevelt County, Mont.; to the Committee on Post Offices and Post Roads.

By Mr. HARRISON:

A bill (S. 4826) to amend the Federal farm loan act as amended; to the Committee on Banking and Currency.

By Mr. WARREN:

A bill (S. 4827) granting an increase of pension to Margarethe Kammerling (with accompanying papers); to the Committee on Pensions.

By Mr. DILL:

A bill (S. 4828) granting a pension to Catherine E. Pearson; to the Committee on Pensions.

By Mr. WADSWORTH:

A bill (S. 4829) for the relief of the Wilson Chemical Co.; to the Committee on Claims.

By Mr. McKELLAR:

A bill (S. 4830) for the relief of M. Zingarelli and wife, Mary Alice Zingarelli (with accompanying papers); to the Committee on Claims.

A bill (S. 4831) granting the consent of Congress to the highway department of Davidson County, of the State of Tennessee, to construct a bridge across Cumberland River at a point near Andersons Bluff, connecting Old Hickory or Jacksontonville, Tenn., by way of the Gallatin Pike, with Nashville, in Davidson County, Tenn.; to the Committee on Commerce.

By Mr. OVERMAN:

A bill (S. 4832) granting a license to Albert H. Parham to practice osteopathy in the District of Columbia; to the Committee on the District of Columbia.

By Mr. NEELY:

A bill (S. 4833) granting an increase of pension to Sarah J. Glenn; to the Committee on Pensions.

A bill (S. 4834) for the relief of Frederick N. Carr; to the Committee on Military Affairs.

By Mr. BLEASE:

A bill (S. 4835) to provide for the appointment of one additional district judge for the eastern and western districts of South Carolina; to the Committee on the Judiciary.

By Mr. GLASS:

A bill (S. 4836) for the relief of the Virginia Engineering Co. (Inc.) (with accompanying papers); to the Committee on Claims.

By Mr. WALSH of Massachusetts:

A bill (S. 4837) granting pensions and increases of pensions to certain widows of soldiers, sailors, and marines of the Civil War; to the Committee on Pensions.

By Mr. WILLIS:

A bill (S. 4838) granting an increase of pension to Elizabeth Perry (with accompanying papers); to the Committee on Pensions.

By Mr. WADSWORTH:

A bill (S. 4839) granting an increase of pension to Avis F. Norton; to the Committee on Pensions.

A bill (S. 4840) to provide for the appointment of an additional judge of the District Court of the United States for the Northern District of New York; to the Committee on the Judiciary.

By Mr. HOWELL:

A joint resolution (S. J. Res. 133) for the appointment of Bruce J. Newlon, of Nebraska, as member of the Board of Managers of the National Home for Disabled Volunteer Soldiers; to the Committee on Military Affairs.

By Mr. CAMERON:

A joint resolution (S. J. Res. 135) to amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes, approved June 3, 1916, and to establish military justice, approved June 4, 1920"; to the Committee on Military Affairs.

#### RETIREMENT OF SPANISH WAR OFFICERS

Mr. CAMERON introduced a bill (S. 4823) to provide for retired officers who served in the Army, Navy, or Marine Corps during the Spanish-American War; which was read twice by its title.

Mr. CAMERON. Mr. President, in connection with the bill just introduced by me to provide for retired officers who served in the Army, Navy, or Marine Corps during the Spanish-American War I wish to read some of the statutes pertinent to the subject matter:

SEC. 9. *And be it further enacted*, That officers on the retired and reserved lists of the Navy shall be entitled to promotion as their several mates upon the active list are promoted; but such promotion shall not entitle them to any pay beyond that to which they were entitled when retired unless upon active duty, when they shall receive the full pay of their respective grades: *Provided*, That no promotion shall be made to the grade of rear admiral upon the retired list while there shall be in that grade the full number allowed by law. (14 Stat. 517.)

CHAP. 20. *Be it enacted, etc.*, That the President of the United States be, and he is hereby, authorized and empowered, at his discretion, to nominate and by and with the advice and consent of the Senate to appoint to brevet rank all officers of the United States Army now on the active or retired list, who by their department commander, and with the concurrence of the commanding general of the Army, have been or may be recommended for gallant service in action against hostile Indians since January 1, 1867.

SEC. 2. That such brevet commissions as may be issued under the provisions of this act shall bear date only from the passage of this act: *Provided, however*, That the date of the particular heroic act for which the officer is promoted shall appear in his commission.

SEC. 3. That brevet rank shall be considered strictly honorary and shall confer no privilege or precedence or command not already provided for in the statutes, which embody the rules and articles governing the Army of the United States.

SEC. 4. That all laws and clauses of laws in conflict with this act are hereby repealed. (26 Stat. 13, 14.)

CHAP. 234. *Be it enacted, etc.*, That all officers of the Regular Army of the United States, active or retired, who served in the volunteer forces during the late war, may, at the discretion of the President, receive a brevet in the Regular Army equal to the highest rank held or the highest brevet received in the volunteer forces and be commissioned accordingly as of the date of such brevet: *Provided*, That they have not already received a brevet of equal or higher grade in the Regular Army. (29 Stat. 530.)

SEC. 11. That any officer of the Navy, with a creditable record, who served during the Civil War, shall, when retired, be retired with the rank and three-fourths the sea pay of the next higher grade. (30 Stat. 1007.)

#### RETIRED OFFICERS

For pay of officers on the retired list and for officers who may be placed thereon during the current year, \$1,944,900.95. That any officer of the Army below the grade of brigadier general who served with credit as an officer or as an enlisted man in the regular or volunteer forces during the civil war prior to April 9, 1865, otherwise than as a cadet, and whose name is borne on the official register of the Army, and who has heretofore been, or may hereafter be, retired on account of wounds or disability incident to the service, or on account of age, or after 40 years' service, may, in the discretion of the President, by and with the advice and consent of the Senate, be placed on the retired list of the Army with the rank and retired pay of one grade above that actually held by him at the time of retirement: *Provided*, That this act shall not apply to any officer who received an advance of grade since the date of his retirement or who has been restored to the Army and placed on the retired list by virtue of the provisions of a special act of Congress; and the Secretary of War may assign retired officers of the Army, with their consent, to active duty in recruiting for service in connection with the organized militia in the several States and Territories upon the request of the governor thereof as military attachés upon courts-martial, courts of inquiry and boards, and to staff duties not involving service with troops; and such officers while so assigned shall receive the full pay and allowances of their respective grades.

For additional pay to such officer for length of service, to be paid with their current monthly pay, \$425,000.

In all, \$2,369,900.95. (33 Stat. 264.)

Mr. CAMERON. I move that the bill be referred to the Committee on Military Affairs.

The motion was agreed to.

#### PASSAIC VALLEY SEWERAGE COMMISSIONERS

Mr. EDWARDS. Mr. President, I introduce a joint resolution for the relief of the Passaic Valley Sewerage Commissioners, which I ask may be referred to the Committee on Claims and printed in the RECORD.

There being no objection, the joint resolution (S. J. Res. 134) for the relief of the Passaic Valley Sewerage Commissioners was read twice by its title, referred to the Committee on Claims, and ordered to be printed in the RECORD, as follows:

*Resolved, etc.*, That the Passaic Valley Sewerage Commissioners, a body politic and corporate, existing under the laws of the State of New Jersey, and mentioned in a bill entitled "A bill (S. 3366) for the relief of the Passaic Valley Sewerage Commissioners," now pending in the Senate, be, and it is hereby, authorized to enter suit in the United States District Court for the District of New Jersey, for the amount claimed to be due to the Passaic Valley Sewerage Commissioners, from the United States, by reason of the damage done by the steamship *Leviathan*, belonging to the United States, to the outlet sewer of the Passaic Valley Sewerage Commissioners, at or near Robbin's Reef, in New York Bay, and within the district of New Jersey on or about December 21, 1923.

SEC. 2. That jurisdiction is hereby conferred upon said United States District Court for the District of New Jersey to hear and determine such claim, and to render judgment thereon. Official letters, reports, public records, or certified copies thereof, either of Passaic Valley



Sewerage Commissioners or of any department of the Government of the United States may be used as evidence. And the Government of the United States hereby waives its immunity from suit on said claim and all defenses to the same except as to the amount of damages suffered by Passaic Valley Sewerage Commissioners, which in no case shall exceed the amount set forth in Senate bill 3368, to wit, \$110,000, and interest from December 21, 1923.

#### AMENDMENTS TO RIVER AND HARBOR BILL

Mr. BLEASE, Mr. CAMERON, Mr. COUZENS, Mr. GEORGE, Mr. LENROOT, and Mr. TRAMMELL each submitted an amendment intended to be proposed by them to the bill (H. R. 11616) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which were severally ordered to lie on the table and to be printed.

#### AMENDMENT TO TREASURY AND POST OFFICE APPROPRIATION BILL

Mr. BRUCE submitted an amendment proposing to increase the appropriation for salaries of all necessary employees of the Bureau of Engraving and Printing other than employees required for the administrative work for the bureau of the class provided for and specified in the Treasury Department appropriation act for the fiscal year 1927, and plate printers and plate printers' assistants, to be expended under the direction of the Secretary of the Treasury, from \$3,659,590 to \$3,859,590, intended to be proposed by him to House bill 14557, the Treasury and Post Office Departments appropriation bill, which was ordered to lie on the table and to be printed.

#### MAINE SENATORIAL INVESTIGATION

Mr. GOFF submitted the following resolution (S. Res. 296), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Committee on Privileges and Elections, authorized by Senate Resolution 278 to inquire into charges made against ARTHUR R. GOULD, sitting Member from the State of Maine, and to report to the Senate thereon, is hereby empowered to sit and perform its duties at such times and places as it deems necessary or proper and to require the attendance of witnesses by subpoenas or otherwise; to require the production of books, papers, and documents; and to employ counsel and other assistants and stenographers, at a cost not exceeding \$1.25 per printed page. The chairman of the committee, or any member thereof, may administer oaths to witnesses and sign subpoenas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee or appears and refuses to answer questions pertinent to said investigation shall be punished as prescribed by law. The expenses of said investigation shall be paid from the contingent fund of the Senate on vouchers of the committee or subcommittee, signed by the chairman and approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

#### THE DIRECT PRIMARY

Mr. DILL. Mr. President, I ask unanimous consent to have printed in the RECORD an article on the direct primary written by Albert J. Beveridge, which appears in the Saturday Evening Post of the 11th instant.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post, December 11, 1926]

OF, BY, AND FOR THE PEOPLE—YES OR NO?

By Albert J. Beveridge

Most of us want what is best for all of us. So, when talking over the primary or any other question, let us keep in good temper. Nearly all bad things that have happened to us as a nation have been the result of hot-heads abandoning argument for anger, and calling other people fools and knaves merely because of disagreement in opinion.

Right at the beginning, then, let us agree that those who are for the primary and those who are against it are honest in their views, and are intelligent and patriotic citizens—not all, of course, but most.

The fact that practically all professional politicians were against the primary when it was first proposed and introduced and are against it still; that the few big financial interests which want unjust and nonpublic special privileges were against the primary then and oppose it now; in short, the fact that the whole membership of what I once called the Invisible Government is the deadly foe of the primary ought not to becloud the other fact that many upright, studious, thoughtful, and public-spirited men believe that the primary has failed, and that we ought to get rid of it.

Perhaps they are right. If so, let us by all means repeal our primary laws and take up the old-time convention once more. But let us make sure about it. There is no great hurry. Certainly no emergency, no crisis forces us to act in haste. The country is in fairly good shape—much better than any other country.

Moreover, is it not foolish to overthrow a system that took a long time to grow, that grew slowly, and grew in spite of incessant and powerful opposition exerted from the moment the seed first sprouted? For, as will be shown in my next article, the primary came more gradually than any other development of American institutions.

#### OBJECTIONS TO THE PRIMARY SYSTEM

The convention, for instance, was adopted generally in a very short time after Jackson forced it on the Democratic Party; whereas it took a half century for the primary to make its way, because resistance to it was so stern and strong. That opposition to the primary came from those who used the convention for particular purposes, and not from the fine type of men who now join those natural foes of the primary.

As we go along in our friendly talk about the primary, we must have in mind the fact that such a thing as a party convention never was heard of for more than 40 years after our Government was established. Nearly a half century elapsed after our National Constitution was adopted before the party convention was concocted and came into common use. I shall deal with this fact in the article that follows this one, but we ought to make particular note of it now, because so many good people seem to think that we always have had the convention.

As a matter of historical fact the primary has now been in use longer than the convention was in use. So why should we be in any rush to abandon an old system—the primary—which has not worked badly on the whole, and in place of it to restore the convention—a device which worked so badly that the people threw it aside and took up what they thought a better method? In any case let us discuss the subject before we do anything—and discuss it without heat. To do this clearly and logically let us get out of the way objections to the primary which are urged just now with so much clamor that we hear of nothing else. Every one of those objections is very old. They have been made time and again in bygone days; they have been answered as often as they were made; but to-day they are advanced once more as though they were new, and advanced with something like fury. So let us be patient and go over those objections again.

The first of these objections is the expense of the primary. We are told that the vast sums spent this year in two or three States to get certain senatorial nominations were made necessary by the primary. The plain answer is that nominations for the same office in most other States required no such outlay—very little, indeed.

If primary expenses of candidates were so small in most States, how comes it that hundreds of thousands and millions of dollars had to be spent in attempts to get nominations for candidates for the very same offices in only two or three States? If such prodigious outpourings of cash were made necessary by the primary in those States, why was not the same golden flood called forth by the primary in other States—nearly all other States?

Perhaps there is an answer to that question, but, if so, I never have seen it or heard it or heard of it.

We are told, and told with specifications, that in the States where the prodigious outlays were made those immense sums simply had to be spent in order to educate the people, to inform voters of the issues and of the merits of candidates. But can it be that citizens of those States are so much more ignorant of public men and measures than the citizens of all other States where no such amounts were spent?

Have we not heard for years spokesmen for those very States boast of the intelligence, education, enterprise, and public spirit of their people? Yet now we are assured that only the distribution of enormous wealth can arouse and inform those same people and get them to the polls, although such munificence was not at all necessary elsewhere in the country.

The explanation does not fit the facts. Worse still, the men who spent most, or for whom most money was distributed in those exceptional States, lost at the ballot box, and they were men long in public service and well known to the people. That raises another point which we shall look into pretty soon; but just here we are giving attention to the argument that the primary forces the prodigal use of monstrous sums to educate people, and we are confronted with the fact that the men who spent most money, or for whom most money was spent, were beaten, although they were the men best known and who needed least advertisement.

No! Decidedly the explanation and the facts do not hang together.

Let us examine the specifications of necessary expenditure. Merely a postal card to each voter in a State with a big population costs a lot, we are told. Very well! Why send such a postal card? Does it influence a single voter? Do many voters even read such cards? And is not the same thing true of form political letters? It is money thrown away to burden the mails with such trash. So are the big sums spent to circulate pictures of candidates or to post them on billboards and telegraph posts. Those portraits are apt to lose more votes than they gain. I have known of instances where a citizen intended to vote for a candidate because he was on the party ticket, until the citizen saw a lithograph of the candidate. Then he changed; he would not vote for any

man who looked like that, he said. I myself have practiced such nonsense, because it was the custom and because the organization said that we must do it—in fact, the organization did it in my behalf as a party matter and because I was the party candidate—but I see now how useless it was, and I am sorry it was ever done for me.

But, we are asked, how are voters to know about a candidate if they are not told in some such fashion? The answer is simple: If a man who runs for an important office like Senator or governor is not well known in his State, he ought not to be a candidate for such an office.

#### THE BEST KIND OF PUBLICITY

By his speeches, by his efforts for the public good, and by his substantial and legitimate works he ought to have made his name known—and favorably known—to most people before he asks them to put him in his high office. Still better—and the usual American way—he should have worked up through the ordinary degrees of the public service, ever widening his acquaintance, reputation, and influence, until the public is informed not only of his name but of his character and career.

Thus he will have made his own advertisement through many years of hard work; and he will need no post cards, circular letters, lithographs, and billboards to tell the people who he is and that he is running for Senator or governor in his party's primary.

Moreover, the press gives that information as a matter of news and gives it over and over again. We are told that advertisements in the newspapers cost a great deal. But what good does that do? Was any man or woman who reads this article ever induced to vote for a candidate by reading such advertisements? Do many of us even read them? And, if and when we do read them, do we not do so with a contemptuous smile? Do we not realize that the candidate is merely boosting himself? So where is the necessity for spending that money? At least for the purpose of winning the support of those who read such paid-for self-laudations.

What next then? What other expenses does the primary compel? That of organization is the answer. What organization? Men and women who have to have their palms crossed before they will do the work incident to elections are not worth their pay. The number of voters they get to the polls for their employer is more than offset by those whom such practices disgust, and who, therefore, vote the other way. I have known of even a legitimate regular organization being beaten, and badly beaten, by alert, albeit humble, citizens working for the other candidate, and working without pay, purely as a matter of public duty; and that, too, when the two opposing candidates, personally, were worthy men. If that happens to a regular and necessary organization, how much surer it is to happen to a set of paid workers?

#### BACK TO THE SOAP BOX

But concede that such paid and private organization is desirable—that the cost of it is not great, provided it does only what it is presumably hired to do, ought to do, and earns the money. But why should men and women be paid by the day much more than they can get for any kind of private labor or service, just to attend the polls as watchers or talkers for a particular candidate? That may be all right, but it may be all wrong, too. A child can see that under such a guise votes can be bought. Who will contend that the expenditure of money for such practices is made necessary by the primary?

"But halls for meetings must be rented, bands hired, and the usual campaign paraphernalia bought. Think of the cost of that!" exclaims the advocate of the necessity of spending a great deal of money under the primary. Why should all that, or any of it, be paid by the candidate or by his central organization? If, in any town or community, he, or the cause he champions, has not enough friends to get a hall for him to speak in and to advertise the meeting, he ought not to run, generally speaking.

Or if he has a real message and the public needs to be aroused, and nobody will furnish a hall or circulate the good news, let him speak on a street corner or in a lot. Indeed, I have known some of the very best of political meetings to be held in just such places and in just such a way; so has every man who has done much campaigning. And such meetings were in regular party campaigns, too—not in the least radical harangues to dangerous assemblages; quite the opposite, in fact.

The upshot is that all but a fraction of 1 per cent of the great sums spent in certain primary elections was not only not necessary, not only unproductive of votes, but actually evil—potentially evil, to say the very best for it. And the primary does not require the expenditure of a dollar of it. Indeed, the primary does not compel the expenditure of any money at all. The candidate can spend as much or as little as he likes. This is shown by the sworn returns of candidates for important offices in all the States—in most cases little money is spent.

I myself have had experience in that regard. I have gone through a primary campaign lasting many weeks in a State of more than 3,000,000 people—a campaign with organization, committees, speakers, literature, and the usual stage properties for such performances.

Yet the total expense for everything was comparatively trifling. The official records show that many other men have done the same thing for even smaller sums; some did not spend anything at all.

What, then, becomes of the argument that the primary bars poor men and opens the door to public office to the rich man only? And how does it happen that every rich man who wants office for himself or wants to control politics—how does it happen that every such rich man is against the primary? One would think rich men with ambitions for political preferment or desire for political domination would be for the primary if they could thereby best gain their ends. Why, then, are they against the primary—and against it to a man? If the primary favors the man of wealth, why does not the man of wealth favor the primary?

Such men are not fools; on the contrary, they usually are men of more than ordinary ability. Usually they are distinguished for their shrewdness and common sense. Why, then, should they be against the primary, if the primary enables them to rid themselves of competitors who are poor financially, and helps the politically ambitious rich to get what they want with greater ease? This question can not be pressed too strongly or asked in too many forms.

The obvious answer, and the true answer, is that the primary does not close the door to the poor man and open it only to the rich man. The primary does not help the rich man to get what he wants with less outlay of cash, or the nonpublic corporation either—a point to be kept in mind.

On the contrary the primary costs the rich man or corporation that wants to elect himself or an agent to office, or wants to control the machine, a great deal more than the convention used to cost that rich man or corporation—a great deal more than the convention would cost that rich man or corporation now, if they could get the convention back again. They got more for their money, got it with less trouble, and got it with little or no risk of exposure through the convention than they can now get the same thing through the primary. Moreover, what they now get at great expense through the primary, they get with serious risk of exposure before them all the time.

There is your answer to the question why such men and interests are against the primary and for the convention. Doubtless they convince themselves that they are public spirited and patriotic in trying to destroy the primary and restore the convention. But that does not alter the fact that the primary costs them more and is harder for them to manage than the convention. Men usually feel that they are patriotic when they get what they want.

All this applies to professional politicians as much as it applies to rich men or corporations who pay and control them. By professional politicians I mean those who make their living out of politics; those who give all their time to political scheming, fixing, manipulation and deals, just as most people give all their time and strength to their stores, farms, housekeeping, or other jobs. We must not forget that there are men—and now that women have the vote, some women, too, alas!—who do nothing but attend to party organization and other party work of a peculiar kind, work that does not in the least promote any public good. Such persons are called professional politicians for short. They have their uses, but they have their vices, too.

In the next article we shall see just how the convention was cheaper and easier to handle than the primary is, but in this article we are dealing with objections to the primary which are now being made with most force and noise.

However, it is well to bear in mind as we go along that a great deal of money was spent by rich men and corporations to control conventions, and by means of them to control parties; but it was spent quite secretly through trusted agents or bosses. We must not get the idea that the old-time party convention was a Sunday school, nor yet an innocent assemblage of wise men in solemn and deliberate council solely to advance the public interest. Also, we must be thinking of how delegates to conventions were chosen, the effort and cash required to get the right men, and what was done to them after they reached the city where the convention was held. Moreover, there was practically no risk of exposure for money spent under the convention, compared to the risk for such outlays under the primary.

#### AN ARGUMENT FOR AUTOCRACY

The next item of the costliness of the primary, which is paraded before us, is the expense of it to the public. We are told that it is a burden on the taxpayer—the cost of printing and distributing tickets, holding the primary election, and the like. But the same objection holds as to the final election—to all elections. Indeed, the same objection can be made and has been made hundreds of times to free government itself.

One of the stock arguments for autocracy was that it was more efficient and cost less than democracy—no elections, fewer officials, and officials picked and trained, direct and prompt action, and so on. It was true, too, if the monarch and ruling class were honest and on their jobs. But at best it was not a government of, by, and for the people—and that is what we want, is it not? Would any American prefer a monarchy to our Republic just because the monarchy would be less expensive?



Has any taxpayer declared against the primary because the public expense of holding it adds a few mills to his taxes? I have not heard of one, albeit I have scanned the newspapers, city and country, with some care for that particular item. Some professional politicians have had interviews to that effect, but there seems to be no uprising by those who pay the taxes.

If we want to save money in that way why not begin with the thing that made the first heavy increase in election expenses—the Australian, or secret ballot? Why not go back to the old unofficial party ballot? It cost the public nothing at all, so far as the outlay of public money was concerned. Or why not go farther back to the old practice of voting by word of mouth? That was done not so very long ago, and it cost nobody anything. But would any person so much as think of taking up such election methods now in place of the official Australian ballot, just because those methods cost little or nothing, and the secret official ballot costs a great deal? Would even professional politicians advance such an idea to-day?

If not why not? Much can be said for those former systems, especially that of viva voce voting. As to the question of expense the argument is all on their side. But much more can be said against them.

#### ECONOMICAL SPENDING

So we see that the objection to the primary on the ground of public expense is just as strong against every improvement of our election methods, just as strong against final elections, just as strong against all popular government.

But the foes of the primary will say that I am begging the question by making such comparisons. I do not think so, but let us grant it for the sake of the argument, and directly meet the objection of public expense. If by spending a little money I save a great deal more I am the gainer, am I not? Very well! Consider the hundreds of millions and even billions of dollars of public wealth squandered under the convention system—natural resources exploited, franchises granted, special privileges bestowed. Since the people overthrew the convention and adopted the primary such wastage, or robbery, has decreased greatly. In fact, almost a stop has been put to it. So balance the books and you will find that the public has billions on the credit side as against a trifling fraction of that amount on the debit side since the people cast off the convention and took up the primary.

Now that the argument is out of the way that the primary makes necessary the squandering of vast amounts of money, let us take up the next objection which is urged with only less vigor and heat. That argument is that under the primary we do not get as good candidates and officials as we got under the convention. That assertion is made so constantly that we are supposed to accept the truth of it as a matter of course. But is it true?

That citizen must be very young or very forgetful who does not remember the kind of officials often forced upon us in former days—the corrupt mayor, the venal councilman, and even, sometimes, the bought and owned judge. Lobby-controlled legislatures became an American scandal; nor did Congress escape. The empire of graft was a real power. Who does not remember the magazine articles entitled "The Shame of the Cities" that shocked the Nation not so many years ago? And there was ground for those blazing accusations, too. They were exaggerated, of course, but there was truth in them. Such men as the late David Graham Phillips lashed the betrayers of the people through the streets of public scorn.

To be sure we have some of the same thing to-day under the primary, but not nearly so much as we used to have under the convention. The majority of public officials in the old days were honest and efficient, but the number of them have increased since candidates have been chosen by primary elections. Of course, we get bad and stupid candidates and officials under the present system. We who believe in the primary not only admit that unhappy fact, we assert it. But we say that we have fewer of such evil men in office than we used to have; and we insist that the way to reduce their number still more is to strengthen the primary instead of destroying it and readopting the convention under which we had so much exploitation of the public.

No one affirms so earnestly as we that the primary is not perfect. No one declares more emphatically that it does not do all that we had hoped it might do. But it is an advance in popular government—a very decided advance.

#### THE LAST WORD IN LIBERTY

Of course, the primary does not work perfectly. But can anybody name anything human that does work perfectly or ever did work perfectly? Our Constitution itself has flaws, as every lawyer and scholar knows; but, everything considered, it is the best scheme of orderly freedom that has yet been devised. It is far better than the plan of government adopted by other countries. As nearly as anything human can be, our American Constitution and our basic American institutions come near to being the last word in the realm of law-regulated liberty. Because our fundamental law and our underlying institutions have weak spots and the working of our Government is not always ideal, would any American man or woman now favor the abandonment of

our Constitution and primary institutions and the re adoption of the ancient order?

The thing to do with the primary is to improve it, strengthen it, purify it. We must remember that in some States the primary laws were written by the enemies of the primary. The professional politicians were forced by public opinion to do something, so they did as little as they could and they sometimes tried to make the primary look and work as foolishly and badly as they possibly could. That was only human nature, and those who thus mangled the primary ought not be blamed too much.

But the practical and sensible thing to do is to correct the defects in our primary laws rather than to repeal them and go back to the cast-off convention system. For instance, a certain State has a presidential primary. Yet if a candidate carries that State by 500,000 majority all he gets are four or five delegates at large; and he does not even get them in reality. He only gets persons chosen by a State convention who are instructed to vote for him in the national convention as long as those delegates at large think that he has a chance. They, not he, to be the judge of whether he has a chance.

In that State the remaining delegates to the national convention—the great bulk of the State delegation—are chosen by caucuses of the delegates from each district to the State convention; and these district delegate caucuses are held at various places the night before the State convention meets. So those delegates to the national convention are picked out in the old way by the professional politicians; and they seldom are for the presidential candidate who has carried the State; in fact, they nearly always are against him. Is that honest? Is it even intelligent? If most party voters in any State want a certain presidential candidate the delegates from that State to the national convention ought to stand by him through thick and thin.

"Look at the able men and at those who have been in public life a long time who have been beaten at primaries!" exclaim the foes of that reform. "They would not have been beaten in conventions," we are told. How do we know that? They surely would have been beaten in the convention if the party bosses so decreed. And perhaps they ought to have been rejected at the primaries. Let us not take mere assertions for granted. For that matter, many an outstanding public man was defeated under the convention system solely because he had not pleased the party bosses and those from whom they drew their sustenance. If they could not turn the trick in the convention the machine simply herded enough voters to the polls to beat him at the election. So, even conceding that good men sometimes are whipped at primaries, the same thing was done more often in conventions. At the very best it is six of one and half a dozen of the other on that score. So let us have no more whining about the noble men who have been sacrificed by primaries.

#### A PRODUCT OF BOTH SYSTEMS

But to return to the objection that the primary does not give us good candidates and good officials. Time and again I have heard men complain of the radicals sent to Washington under and because of the primary. These radicals, usually western men from highly intelligent communities, are roundly abused. They are not only wild as deers, we are told, but persons of no ability and little character; mere demagogues in fact. Such candidates and officials would never have existed under the convention, it is said, and said with fierceness.

Would they not, indeed? Not conceding for a moment that these western radicals are the ignorant, reckless, and deranged creatures that the enemies of the primary describe them to be—those whom I have met seem to be well informed and sincere, if somewhat over-earnest, men—let us see if the old system did not turn out candidates and officials far more radical, far more daring and much less worthy than the so-called western radicals of to-day.

Take for example, Senator Pepper, of Kansas; Senator Allen, of Nebraska, Senator Pettigrew, of South Dakota; or Sockless Jerry Simpson in the House, all of whom flourished from 30 to 40 years ago. Can any radical chosen recently under the primary match any of those gentlemen for radicalism—determined, aggressive, incessant, fighting radicalism—yet all the men named were chosen by conventions.

The fact is that unless it is well controlled nothing is more subject to gusts of passion, anger, and emotion of all sorts than the old-time convention. I have seen such a body stampeded for a candidate by a big brass band in the gallery suddenly starting up "Marching Through Georgia" and playing the tune as loudly and inspiringly as the band could play it. Thus the better man was beaten and a "true patriot who had bared his breast to the blasts of war, fellow citizens! Yes; bared his breast for you and me, fellow citizens!" was nominated, albeit he was not fitted for the office at all.

#### CONVENTION SOB SISTERS

So susceptible to influences like these are conventions that great politicians who took pains to keep them in hand used never to overlook such devices. Some emotional delegate might employ them and upset things, so the skillful boss used them first. Lorimer, of Illinois, was uncannily clever in the manipulation of conventions by flag wav-

ings, band playings, and other hurrah-boys methods. The late Senator Quay, one of the ablest and most resourceful politicians who ever lived, was a master of the spectacular appeal to conventions, as well as a master of carefully thought-out arrangement and plan, devised long beforehand.

One of the many reasons that the old-time party boss, and those behind the scenes whose orders that party boss carried out, took such care to control the old-time convention, was that the delegates might become excited, get out of hand, and do something foolish—something not on the program—unless they were controlled. The managers do the very same thing now whenever a convention is held. But we shall take up that engaging and dramatic feature of the convention in the next article.

One reason that so many unworthy men get on tickets and are elected to office under the primary is that very great numbers of public officials are elective. So, we have long official ballots stuffed with names of candidates at the final election, and even longer ones at the primary election. The voter does not know and can not know whom he or she is voting for, except, of course, the voter who lives in the same neighborhood in which the candidate lives. But the convention would not remedy that defect in our elective system so far as final elections are concerned. There would still be as many candidates on the official ballot.

The short ballot, however, would utterly destroy the fault of a multiplicity of candidates, and we must come to that in the end. Most subordinate administrative officials ought to be appointed by those chief officials whom the people elect, and those chief officials should be held responsible for those they thus appoint.

Serious objection can be made to this plan, too, of course; as, for instance, that the appointing officer could thereby build up a personal or a party machine and would do so. To be sure, he could and would; but if he and his appointees thereby hurt the public, they would hear from the voters at the next election or two. You can not make that kind of thing work very long, especially if newspapers are newspapers—alert, honest, faithful to the general interest.

If the newspaper does its duty, the danger of bad appointments by the chief officials whom the public elect is reduced to a minimum. That danger is not prevented altogether, but it is greatly cut down. For that matter, no method can possibly obviate every defect in any form of government; as I have said, nothing human is perfect. But we can make improvements; we can do our best—and that is what we are trying to do under the primary. At any rate, the short ballot—the appointment by responsible officials of multitudes of inferior officials now elected—would get rid of the nuisance of large numbers of candidates. But we must bear in mind that the objection to a multiplicity of candidates applies to the final elections as much as to primary elections. The primary did not create the plague of candidates.

Yet enemies of the primary actually propose to improve it by transferring to a convention the nominations of principal officials, such as governors, United States Senators, and the like, leaving minor county and town and city candidates to be named by the people at their primaries. A very young man, faithful to the public interest, who was a candidate for his State legislature, nominated at a primary, wrote me a letter saying that that reform had been urged upon him, and he asked if it would not be a good thing. In fact, I have had several such letters from the same kind of young men in various States.

If anything would denature and bedevil the primary more than the professional politicians have damaged it already, that alteration would do the business. If any change is made, it should be the other way round. Let the party voters at their primaries directly name their own candidates for the big offices, and if any must be chosen by conventions—a method I do not favor at all—let them be local conventions where the delegates must act under the eye of the party voters.

#### THE SENATORS' POWERS

A governor must appoint many subordinates; he must run the State and do more that affects the well-being of the people than any other one person in a State office; and a candidate for governor should be big enough to be known to the whole electorate. Why should such a candidate be picked out by the party bosses in party conventions rather than by the party voters in party primaries?

The same considerations apply to the nominations of candidates for United States Senator. Although under our national Constitution a United States Senator has nothing to do with the appointment of Federal officials, yet all of us know that he dictates all such appointments within his State. That is one result of our party system, and there is much to be said in favor of it. But whatever its merits or demerits, it can not be changed except, of course, by a President so fearless and independent that he chooses to exercise the power which the Constitution gives him and to disregard and defy the party leaders in the persons of Senators and Representatives.

But he would be a bold and perhaps imprudent and unwise President who would take that risk. So old is now the custom of recommendation by Members of the House and Senate of Federal appointments in their States or congressional districts that they look upon that custom as their right, their perquisite. They are in ill humor when the dis-

tribution of patronage is denied them or even is questioned; and they will punish a President by voting against something he wants.

Take Federal judges, who hold office for life and are as nearly autocrats as can exist in our republican Government. Although nominally the President appoints them he usually does so on the demand of Senators of his party from the State or judicial district where those judges are to hold court, or on the demand of the party organization in that State or district, if its Senators belong to the other party. Thus we often have political appointments of judges who hold office for life.

The Senator or organization exacting such appointments from a President always insist that their man is as good a lawyer and will be as good a judge as anyone who can be found, but their motive is to help the party and strengthen the party organization, rather than to put the best man on the bench. Sometimes a Senator insists on the appointment of his candidate solely to buttress his personal machine—it is a mighty power to make certain elements do the right thing on election day.

#### GOVERNMENT BARGAINING

Then there are United States marshals, United States attorneys, collectors of internal revenue, members and agents of various Federal commissions and boards to be appointed by the Senator, to say nothing of postmasters in big towns and cities. In fact, the Senator who keeps a watchful eye on Federal patronage and insists upon his perquisites makes more important appointments than a governor does.

The President is well-nigh helpless in such cases. As a practical matter, what can he do? If he does not yield he may lose the support of that Senator on a nomination, treaty, or bill which the President wants very much to have confirmed, ratified, or passed. Indeed, precedents are not wanting for actual deals—"Appoint my man and I'll vote your way; refuse and I'll vote the other way."

Yet in spite of this great appointive power which, regardless of the Constitution, a United States Senator has come to possess, in spite of the strangle hold on the President which custom has given him, we actually are told that a Senator must be chosen by a politicians' convention instead of by a people's primary. Worse still, we are told that such nomination would strengthen the primary, would improve and reform that system. All it would do would be to remove that Senator, with his vast powers, further from the people and from direct responsibility to them, even assuming that the convention was not controlled by the party boss and was made up of independent, calm, informed, and very wise men.

We come now to the final objection to the primary, the final argument for the convention. The primary, we are told, is not consistent with our representative form of government, whereas the convention is the method required by the representative system created and established by the fathers. If that is true it is a strong reason against the primary and for the convention.

We want only what is best for the country; and even if the primary is better than the convention in all other respects, but is hostile to and destructive of our representative form of government, we ought to get rid of it utterly and at once. For our American system of government is so good for us, on the whole, that in comparison nothing else is of value. Certainly anything that weakens that system or tends to weaken it ought not to be tolerated for a moment, no matter how helpful that thing otherwise may be. Since this objection to the primary compels us to consider the convention system with thoroughness and care, we must leave the treatment of it to the next article.

#### PUBLIC BUILDINGS IN THE DISTRICT OF COLUMBIA

The VICE PRESIDENT. The morning business is closed.

Mr. SMOOT. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1232, the bill (S. 4663) authorizing the Secretary of the Treasury to acquire certain lands within the District of Columbia to be used as sites for public buildings.

The VICE PRESIDENT. Is there objection to the request of the Senator from Utah?

Mr. McLEAN. Mr. President, I would like to inquire of the Senator from Utah if it is the intention to take up this morning the appropriation bill reported yesterday.

Mr. SMOOT. If there is any objection to the consideration of this bill, I will withdraw the request.

Mr. McLEAN. I do not object to the Senator's bill.

Mr. SMOOT. The appropriation bill will be taken up immediately afterwards.

Mr. McLEAN. Ordinarily, we would expect to proceed with the calendar at the close of morning business.

Mr. SMOOT. The appropriation bill, I think, will be taken up at once.

Mr. McLEAN. Of course, I can not interfere with that, I suppose, but there are a few measures on the calendar which ought to be disposed of. I think it should be understood that there is to be a morning hour in which we can have a call of the calendar on other days than Monday.



Mr. SMOOT. If there is any objection to this bill, I will withdraw the request; but I want to say to the Senator that if the bill is going to pass it ought to be passed now, so that we can get to work under it at once.

Mr. MCLEAN. I am not going to object to taking up the Senator's bill; but I myself want to have a bill taken up, and there are other bills on the calendar which ought to be considered.

Mr. CURTIS. It is the purpose to adjourn from day to day, so that there will be a morning hour each day, and the Senator from Connecticut can call up his bill any morning.

Mr. MCLEAN. I think that should be understood, because appropriation bills will be coming in from time to time and will occupy at least a good portion of the session.

Mr. CURTIS. There will be daily adjournments, so that there will be other days for those bills to be considered.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

*Be it enacted, etc.,* That to enable the Secretary of the Treasury to acquire economically and at an early date adequate sites for suitable accommodations in the District of Columbia for the executive departments, and independent establishments of the Government not under any executive department, in accordance with the provisions of the act entitled "An act to provide for the construction of certain public buildings, and for other purposes," approved May 25, 1926, he is authorized and directed to acquire, by purchase, condemnation, or otherwise, all the lands, including buildings and other structures, included within the triangle bounded by Pennsylvania Avenue, Fifteenth Street, and B Street NW., and Reservations A, B, C, and D, except square 256 and except property owned by the United States or the District of Columbia, as such lands appear in the records of the office of the surveyor of the District of Columbia.

SEC. 2. There is hereby authorized to be appropriated, in addition to the amounts authorized in such act of May 25, 1926, and without regard to the limitations contained in the first paragraph of section 5 of such act, the sum of \$25,000,000, or so much thereof as may be necessary, to carry out the provisions of this act.

Mr. COUZENS. Mr. President, may I ask the Senator a question?

Mr. SMOOT. Certainly.

Mr. COUZENS. I do not find a copy of the bill or the report in my file.

Mr. SMOOT. The bill was reported on December 13 by the Senator from Wisconsin [Mr. LENROOT]. Every member of the committee agreed to the bill.

Mr. COUZENS. Is there any report on the bill from the committee?

Mr. SMOOT. I do not think there was a report made on it, because I had explained it in detail to the Senate about a week ago.

Mr. KING. Mr. President, there may be reasons justifying the prompt consideration of this bill, but if there are I have not been so advised. As I understand, there was introduced in the House, at the same time the pending bill was offered in the Senate, a bill identical in terms. The measure was probably prepared by some agency of the Government or by some joint committee having to do with public buildings.

The general appropriation bills are passed by the House before they are considered by the Senate. It is true this is not a general appropriation bill, and there is no rule which forbids our consideration of the measure. However, it seems to me that it would be wiser for the Senate to wait until the House has taken action. At any rate this bill ought not to pass the Senate unless there are good and sufficient reasons for such action.

Apparently the bill repeals a provision of the act of May 25, 1926—

Mr. SMOOT. No; there is no repeal.

Mr. KING. It repeals it in the sense that any limitation in the act of May 25, 1926, at variance with the expenditure of the \$25,000,000 provided by this bill, is removed, and the \$25,000,000 carried by this bill may be expended without any restrictions whatever, except such as are found in the bill itself.

Mr. President, there is a general desire not only in Congress but throughout the country to provide suitable buildings for the Nation's Capital. The American people are proud of this city and are willing to make all needful appropriations in order that it may be made one of the most beautiful capitals in the world. As a member of the District Committee of the Senate, for many years I have been greatly interested in legislation calculated to bring this city to a high standard of

architectural beauty. I have insisted that we should consider not only the utilitarian question involved, but artistic and aesthetic features relating to our Nation's Capital. To that end I have favored appropriations for the improvement of Washington, for the erection of suitable buildings, for the acquisition of whatever land was necessary for public parks, for the adoption of plans to procure an adequate water supply, for the erection of suitable school buildings, and generally for all legitimate and proper purposes, in order that Washington might measure up to the most exacting standards prescribed by the people of our country.

I have not indorsed all legislation which has been enacted dealing with the Capital, nor have I been satisfied with some of the plans which have been projected by Congress or by those who have controlled District affairs.

Undoubtedly additional buildings are required by the Government, and as the years go by still more buildings will be required. Unfortunately, centralizing forces operating in our country are strengthening the authority of the Federal Government at the expense of the States. This tendency is reflected in the physical growth of Washington, and if this centralizing policy is continued, it will contribute to the increase in population. Officials of the Government are constantly stressing the importance of additional buildings to house Federal employees and to care for the numerous bureaus and departments of the Government. I have sometimes felt that too much zeal has been exhibited by Federal officials employed in the departments in Washington in support of measures to secure the purchase of additional lands within the District and to bring about the erection of more Federal buildings.

I feel certain that the number of Federal employees in the District is entirely too great, and many bureaus and Federal agencies could be dispensed with without any injury to the Government. Indeed, I feel confident that at least 25,000 employees in the District could be separated from the service with advantage to the Government, and many bureaus and executive agencies could be abolished with great profit to the public service.

The Federal Government is top-heavy and overbalanced with bureaus and agencies and executive instrumentalities; it is like a struggling giant in the hands of the enormous army of Federal employees who weave red tape with which to bind the Government itself and prevent the prompt and efficient execution of the responsibilities and duties devolving upon it.

Mr. President, the appropriation called for in this bill may be necessary. However, I am not satisfied that an appropriation of so large a sum should be made at the present time. I can not see that there are substantial reasons for the immediate acquisition of the land referred to in the bill. Speaking from a purely practical standpoint, it is not all required by the Government. However, I feel that purely practical questions are not the only ones to be considered when dealing with the Nation's capital.

Washington must have beautiful parks and public grounds and buildings of beauty as well as utility. The United States will have in the not far-distant future 200,000,000 of people, and at the end of a hundred years its population will number several hundred millions. A nation as powerful as this is expected to have as its capital a city of beauty; and a Republic such as this should have buildings that express the ideals and aspirations of a great democracy.

Both nations and peoples speak through their temples and spires and public buildings. It is believed by many Americans, and by artists and builders, that beautiful and majestic as are the marble temples and public buildings and magnificent structures of the past, the limits of architectural beauty have not been reached, and that this Republic, with full recognition of the architectural beauties of former ages, will develop other forms of architectural beauty and power that will win the admiration of this and of succeeding generations.

Addressing myself briefly to the bill, permit me to say that, having determined to construct additional public buildings, Congress should not be hysterical or enact legislation prematurely. At the last session of Congress a public buildings bill was passed which carried, as I now remember, \$50,000,000 for public buildings to be erected in the District of Columbia. It is now proposed to expend \$25,000,000 more, notwithstanding the fact that the Government has many parcels of land suitable for Government buildings, and notwithstanding the fact that all of these buildings will not be constructed for a number of years.

It is conceded, as I understand, that the various parcels of land to be purchased under the terms of this bill are not all required as sites for buildings. Indeed, but a small portion of the land to be purchased will be used to erect buildings thereon. Conceding that the Government, in order to provide



suitable parks and grounds, will ultimately need the land in question, it does not afford sufficient justification for the present purchase of the area in question. This land is now owned by private individuals and is subject to taxation. From it considerable revenue is derived. Under the bill before us it will be withdrawn from the list of properties subject to taxation, though it will not be needed by the Government for a number of years. In my opinion, it will not increase in value, because it is understood that the lands in question will not be used for business purposes and that ultimately they will be taken over by the Government. When they are deprived of their value as business property—and it is conceded they are not suitable for residential purposes—then a considerable part of their value is lost.

There are some whose judgment is worthy of consideration who believe that the land will be less valuable in the future than it is at the present time, and that the Government can acquire it either by negotiation or by condemnation in a few years from now at prices less than those which it will now be compelled to pay. In my opinion the property is not worth \$25,000,000. The area is not large, and, as indicated, the property is not suitable for residential or business purposes and can not be made to yield any considerable income. It is believed by many that the values now placed upon this property are fictitious, as are the values upon other properties within the District.

It is thought by some residing within the District that some real-estate dealers, or some who have large holdings, have established or attempted to create fictitious values, and ascribe to real estate a value which it does not possess. The numerous complaints which have been made to Congress during the past few years with respect to real-estate conditions in the District confirm these views.

Mr. President, I repeat, no explanation, so far as I know, has been offered as to the reason why the Government must acquire the property in question at this time. What is the necessity for rushing this bill through the Senate at this session? It occurs to me that it would be the part of wisdom to defer action on this measure, both in the House and in the Senate, until the commission created at the last session of Congress has acted and adopted a comprehensive plan calling for the development of the Capital. Senators will remember that at the last session of Congress a commission which then existed was changed in form, its personnel increased, and its powers and duties greatly enlarged. It is the duty of this commission to adopt a broad and comprehensive plan to meet the needs of the Government in the District, as well as to provide for the welfare and development of the District as a whole.

The commission, so far as possible, was to conform to the L'Enfant plan and to supplement the same in such manner as to meet the needs of the District. This commission is now functioning and is, I have no doubt, giving attention to the duties incumbent upon it. It will, without question, within a reasonable time submit a plan, the results of its investigations and its work, which will perhaps require some consideration at the hands of Congress. Why not defer action until this commission reports, or at least until it makes recommendations with respect to the lands described in the bill before us.

There is much information which Congress should possess before it appropriates \$25,000,000 to purchase a few parcels of land within the District of Columbia.

Mr. SMOOT. Mr. President, the bill simply authorizes the expenditure of not to exceed \$25,000,000 for the purchase of the land within the triangle bounded on the west by Fifteenth Street, on the north by Pennsylvania Avenue, on the south by B Street, and on the east by Third Street, west of the Capitol Building, including the four reservations mentioned in the bill, squares A, B, C, and D. I consumed over an hour the other day in explaining to the Senate the reasons for that action and also the program which it embraced. I wish to assure my colleague that the Fine Arts Commission and the other commissions which are interested in the beautification of Washington have approved of this plan.

The reason for haste is that we want to purchase this land just as quickly as possible, for I am quite sure that we can purchase it more cheaply now than at any time in the future. There will not be a dollar of the \$25,000,000 expended until the owners of the property shall have agreed with the Secretary of the Treasury as to the price which is to be placed upon the land. If the price can not be agreed upon, of course, condemnation proceedings will be begun at once. The land ought immediately to be purchased; I have not heard anyone say otherwise. That is what we should do, Mr. President. We have the plans all completed to make Washington City, I think, the most beautiful city in America. That will be particularly true as to the new avenue which is planned to run through

the Mall. If carried out, this plan will complete the program in conformity with the wishes of the Fine Arts Commission and others who are deeply interested in the subject.

Mr. SMITH. Mr. President, has the Senator from Utah an estimate of what the actual cost of the land will be?

Mr. SMOOT. Mr. President, in my speech on last Friday I gave the assessed valuation of every plot of land which is privately owned in the area which is now proposed to be purchased. This proposition, I will say, includes all of that triangle, with the exception of the land on which the District of Columbia Municipal Building and the Southern Railway Building stand, and the land already owned by the Government. When this property shall have been purchased, the Government will own that whole triangle.

The 1928 assessment on all the property proposed to be purchased under this bill will amount to about seventeen million one hundred and some odd thousand dollars.

The reason, Mr. President, why we desire to pass the bill now is that we ought to undertake to carry out this program as early as possible. I think all agree as to the program that has been mapped out and concur in the view that it ought to be carried out. If this is not done, as time passes it will be more difficult to arrive at a price between the owners and the Government; and as the years go by and we undertake to erect single buildings, as soon as the first building is constructed all of the land in that area will be increased in value. I hope my colleague will not object to the present consideration of the bill.

Mr. KING. I am not objecting to its present consideration at all.

Mr. JONES of Washington. Mr. President, I wish to ask the Senator from Utah a question. I have not had time to pay close attention to the Senator's explanation of this matter, but, as I understand, the plan contemplates the purchase of all the land on the south side of Pennsylvania Avenue from the Capitol clear up to the Treasury Building, excepting those areas to which the Senator has just referred.

Mr. SMOOT. That is true.

Mr. JONES of Washington. I will be glad to see such action taken. I introduced a measure several years ago looking to this very end. I feel I introduced it a little bit ahead of time perhaps, but I am glad to see that the program is to be carried out.

Mr. BORAH. Mr. President, may I ask the Senator a question?

Mr. SMOOT. Certainly.

Mr. BORAH. The \$25,000,000 is simply for the purpose of acquiring title to the land, is it not?

Mr. SMOOT. Yes; it is for the purchase of the land.

Mr. BORAH. How much is it contemplated will be expended by the Government in making use of the land by erecting buildings?

Mr. SMOOT. The Senator will remember that a bill was passed at the last session which provided \$50,000,000 for the erection of buildings. That amount will take care of the immediately pressing needs for building. I will say to the Senator further that the first building that will be erected will be one for the Department of Commerce. The lease which the Department of Commerce holds on its present building has expired; there is no other place in Washington for it to go; the owners are asking an increased rental for the building at present occupied; and it seems to me we ought to get the new building under way at once.

As to the amount that it will cost ultimately, we can not say, but I presume sums will be spent until we provide sufficient buildings in the District of Columbia to house all of the employees and activities of the Government in the District. The next building to be erected will likely be one for the Department of Labor. Then the employees of the Internal Revenue Bureau are at present working in some 30 different places scattered around the District of Columbia. It is desirable that they should all be located in one central building, and so a building for the Internal Revenue Bureau will be one to follow.

Mr. BORAH. Is there any limit upon the authority of the Secretary of the Treasury in paying for this property?

Mr. SMOOT. There is a limit in the amount of the appropriation.

Mr. BORAH. That is \$25,000,000?

Mr. SMOOT. Yes; and I have not any doubt that an agreement as to price can be reached concerning a great deal of this property, although much of it will have to be condemned; I am quite sure of that.

Mr. BORAH. After this bill shall have passed, there will not be any very reasonable prices for that property.

Mr. SMOOT. Mr. President, I think the very fact that we are going at it now will give notice to the owners of the



property that we are going to condemn it, if necessary, if a price can not be agreed upon. However, the property will never be any cheaper so long as we live and so long as America is as prosperous as it is to-day.

Mr. COUZENS. Mr. President, will the Senator tell us how many holders there are of this property?

Mr. SMOOT. I think they number about 20 or, perhaps, a few more.

Mr. NORRIS. Mr. President, I inquire if the bill is now before the Senate?

The VICE PRESIDENT. The bill is before the Senate as in Committee of the Whole.

Mr. NORRIS. Mr. President, I have listened to what the Senator from Utah has said, and I know there is a great deal of force in his statement, but at the same time it must be admitted, it seems to me, that there is no pressing need on the part of the Government to purchase this property at the present time. I should like to see the Capital City beautified; I should like to see public buildings erected, and all that; but I have a great deal of faith in the economy program, and I think we ought to follow it.

Mr. SMOOT. I will say to the Senator that this proposed legislation meets the approval of the President.

Mr. NORRIS. I understand it does, but there are a good many things that I think are extravagant and that do not go with his economy program, that meet the approval of the President. I think my program goes a little further than his. His economy program only works one way; I should like it to work both ways.

The Senator from Utah speaks of the Department of Commerce and says that it is necessary to get other quarters or pay an additional rental. That, however, as I look at it, has nothing to do with the pending proposition. We now own the land upon which a building can be erected for the Department of Commerce. I should like to be corrected if I am wrong in the statement that, so far as any present contemplated buildings are concerned, we do not need this property.

Mr. SMOOT. The Senator is wrong.

Mr. NORRIS. In what respect?

Mr. SMOOT. There is a great need at the present time for a building for the Internal Revenue Bureau.

Mr. NORRIS. Very well. We have a great deal of land down there on which a building for that bureau may be erected.

Mr. SMOOT. Not at the place where it is proposed to erect it.

Mr. NORRIS. No; not perhaps at that particular place, but we already own land on which a number of buildings could be erected. We are not going to build them all at once, in any event. We will first build on the land which the Government now owns. I do not think it is even contemplated that we shall build for quite a number of years to come upon the particular land that it is proposed to purchase according to the terms of this bill.

Mr. SMOOT. I wish to say to the Senator that the Internal Revenue Bureau needs a building even more than does the Department of Commerce.

Mr. NORRIS. There is more room down there on the land already owned by the Government than the Department of Commerce will need.

Mr. SMOOT. There is not within that square.

Mr. NORRIS. Exactly.

Mr. SMOOT. And there is not on the property already owned by the Government.

Mr. NORRIS. And there is not any room on the Capitol square either; but we do not need to build it on that square; we do not need to build it in the particular place which has been indicated. We were led to believe when the land was purchased near Fifteenth Street quite a number of years ago that it would provide for the construction of necessary additional buildings. I do not remember how many years ago it was, but it was quite a long time ago that we purchased quite a number of squares in the vicinity of Fifteenth Street and Pennsylvania Avenue, and which the Government now owns, but it has not done a thing toward the erection of any buildings on that property, and there is plenty of room to enable the Government to erect necessary buildings there now without buying this additional land.

I doubt very much whether we will pay more in the future, but we are in debt; we are straining every nerve to try to ease up on taxation in order to make it easier for the people even to live; and here we are proposing to expend millions and tens of millions of dollars to buy land for the purpose of constructing buildings thereon which we are not even going to construct for years.

It seems to me that the business way to look at it would be not to go further in the purchase of land here at the present

time. Under ordinary circumstances when it is not necessary to tax the country so high as it is taxed now or when we were not so heavily in debt we could afford to pay even more. We ought to consider it, in my opinion, as purely a business proposition. Would a business man take the step that it is now asked that the Government shall take?

Mr. SMOOT. I would, I will say to the Senator.

Mr. NORRIS. I would not, and I do not believe any business man would. I do not believe the Senator would when he came to think about it. We are not only going to pay millions of dollars for the purchase of this land, which we do not now need, but we are going to be called upon to appropriate more money for buildings on that land. We have already appropriated \$50,000,000 to erect a number of public buildings, which will be nice and beautiful and ornamental and useful—I am not disputing that—but it seems to me, in view of the condition of the Treasury and the necessity for high taxation, that we ought to go slowly in all these things; in other words, we ought to be economical.

Mr. BRUCE. Mr. President—

Mr. NORRIS. I yield to the Senator from Maryland.

Mr. BRUCE. I will ask the Senator from Nebraska whether he does not realize that this bill is merely a part of a general plan, and a very great and comprehensive plan, for the development of all that territory south of Pennsylvania Avenue for public purposes?

Mr. NORRIS. I understand that.

Mr. BRUCE. The Senator knows that there are favorable seasons sometimes for accomplishing something and then again there are unfavorable seasons, and where things do not move along in accordance with some great general central plan there is a danger of the project miscarrying from one cause or another as it goes along. Somebody comes in and suggests that this makeshift might be adopted and somebody else comes along and suggests that another makeshift might be adopted and finally the general plan goes to pieces.

It seems to me—I merely submit this to the Senator—that that is the danger here. We have an opportunity now to acquire that triangle, and we have that opportunity because of the fact that this general plan was formulated at the last session of Congress and was pressed with a great deal of vigor, and, I am glad to say, with eminent success, and general public attention has now been directed to it. The ablest consulting architect in the United States, perhaps, for the purposes of the plan has been selected to supervise the work. Everything is proceeding smoothly and harmoniously, and there is no prospect at present, so far as we can see, of the plan going on the rocks, as such plans have so often done in the past.

The Senator, of course, is aware that the object here is to bring to an end the practice that the Government has pursued of building edifices at random throughout all parts of the city. I believe there are some 90 different buildings that at one time or another the Government has actually constructed for public purposes north of Pennsylvania Avenue, without reference to any unity of plan and often without due regard even to considerations of mere practical utility.

Now all that has been changed. By our action at our last session the Government has been confined to the area south of Pennsylvania Avenue for the erection of public buildings; and it decided at the last session, too, that the right thing to do was to get back to the glorious—if I may use such an expression—L'Enfant plan for the development of Washington that was departed from for so many years and at such a sacrifice, it seems to me, not only of beauty but of practical utility as well.

So it seems to me that this is the accepted time for another important step. We have the right psychology now. We have gotten over the initial difficulties. The Senator will recollect that this idea of limiting the erection of public buildings to the area south of Pennsylvania Avenue, and of getting back to the L'Enfant plan—the plan, I should rather say, of L'Enfant, George Washington, and Thomas Jefferson—met with the unanimous approval of the Senate and, I believe, the practically unanimous approval of the House. Now, that may all change. From one untoward cause or another we may find that our general plan has been nibbled away first by one suggestion and then by another, first by one amendment and then another, and in that event our last estate might be worse than our first.

Mr. NORRIS. Mr. President, it is interesting and undoubtedly true that everything is running along smoothly. The machinery is all oiled. Everything is going nicely to put this thing through. I have no doubt but that the machine is going to operate, and it is going through.

As to the plan, I have no objection to it. I agree with the Senator that we ought to have some plan. I think that plan



has been generally understood for years; but in the present condition of the country, with the huge burden of debt and taxation that is necessary even to meet the interest on the debt we owe, I do not agree with the Senator that it is an opportune time to push this machine along, even if it is well oiled. I think we ought to economize.

This property is not going to get away. In my judgment it is not going to increase in value, although whether it will increase or decrease is a matter of speculation. I think the chances of its decreasing in value are just as good as the chances of its increasing. It has been known for years that ultimately the Government is going to acquire all the property south of Pennsylvania Avenue. It has already acquired quite a large amount of it; and now the proposition is to acquire the remainder of it, when, as a matter of fact, upon that which we have already acquired we have not constructed a single public building.

This talk about the Government having to pay high rentals, in my humble judgment, does not apply to this case at all, because everybody knows that we can not build all of the buildings and use all of the land south of Pennsylvania Avenue at once. We can not do it for a good many years.

Why should the value increase? Suppose the bill authorizing the purchase of this triangle by the expenditure of not to exceed \$25,000,000 does not pass; and we go on and construct the buildings as we need them, as rapidly as we can, on the land that we already own. Why should the value increase? I think the experience and the history of the construction of public buildings in Washington demonstrates that the fact that the Government at some time is going to be a buyer never increases the value of property in the vicinity of a public building. You can go across the street from the finest building we have—the Congressional Library—and you will find some of the oldest and most dilapidated buildings in the city of Washington now. The rental value of buildings in the vicinity of a public building does not increase on account of the presence of a public building, but, if anything, rather decreases. The principal reason why there is a value in the squares immediately northeast of the Capitol Grounds is that it is anticipated that the Government is going to take over the land at some time; and whenever anybody sells to the Government he always gets all that it is worth.

I speak of that without finding fault. I am not blaming the man who owns the property. He has a right to get all that he can for it; and if the fact that the Government is going to buy it next year will add to its selling price this year, I do not blame him for holding up the value. It does not add to the rental value as a general rule—I think, perhaps, almost without exception. So I do not believe the idea that we are going to be called upon to pay a fabulous price in the future is borne out by the history and the experience of the Government in the Capital.

Moreover, in the business world I think it is generally considered that there probably will be a slowing down; that the values perhaps are too high. We have not yet gotten far enough away from war prices and war conditions to bring the values down to the point where they probably will come, unless on account of some other circumstance or condition they are increased; so the argument that we are going to have to pay more if we wait does not appeal to me. But even if it did, Mr. President, we can not afford to use the public funds that we must raise by high rates of taxation for the purpose of carrying out a plan of this kind, which can just as well wait until we have some necessity for it.

Mr. BRUCE. Mr. President—

Mr. NORRIS. I yield to the Senator.

Mr. BRUCE. Does not the Senator think that in order to carry out a great plan like this, involving an extraordinary multiplicity of situations, considerations, and all that, we must know just how much land we should have for our plan?

Mr. NORRIS. We know that now.

Mr. BRUCE. But it may be that Congress will change its mind later on, five or six years from now.

Mr. NORRIS. All right. Let me discuss that. The Senator raised that point before, and I am glad he has called my attention to it again.

The Senator says, since everything is right, and both branches of Congress and the President and everybody are in harmony, and want to get this property, that now is the time to get it, and he fears that as time goes on the plan will be changed. That may be; I do not know; but I have faith in future Congresses. If they change the plan, it will be for a reason. It may be that those who follow us will be able to devise a plan that is better than ours. If they have to pay

the bill and they have to do the business, then they ought to decide what the plan shall be. It will be up to them to do it. They will be just as wise as we, with the additional experience that we have not had.

Therefore if we go ahead now and put the Government in a position where it must necessarily carry out that plan, we shall have handicapped future generations if they think they can improve it. If they think so, they probably will be able to improve it. I do not know. I do not see just how that plan could be bettered. I have no objection to it; but we do not possess all the wisdom of future ages, and those who follow us will surely know more and better than we do. They will have better ideas, perhaps, than we have about some of these things, and we ought to let them decide the matter. If they do not change the plan, the fact that we do not buy this property today will not interfere with the carrying out of the plan. They ought to have the right to change the plan if they want to; and if we take a step here that prohibits them from changing the plan if they want to we shall be doing something that, in my judgment, we ought not to do. If they change it, it will be for reasons that appear to them to be sufficient.

Mr. SMOOT. Mr. President, let me call the Senator's attention to a condition that exists at the present time. On plot D, which we desire to purchase, Mr. Firestone a few days ago was excavating for a 12-story building. The Secretary of the Treasury got his consent to postpone that until we determined just what we were going to do here. If that building had been erected, in order to carry out the plan we would have had to pay the entire cost of the building constructed upon that land. Now we only have to pay for the land.

Mr. NORRIS. It may be that if Mr. Firestone had gone ahead with his building he would have built a finer building than the Government will build on the same property.

Mr. SMOOT. Oh, no, Mr. President.

Mr. NORRIS. Well, that is sometimes done. We have the Chamber of Commerce Building, for instance, down in the city. That is as beautiful as any public building in Washington. It looks like the Capitol; and, in fact, when we hear what they have done, we sometimes think it is the Capitol.

Mr. BRUCE. Mr. President, may I just submit this, with the permission of the Senator from Nebraska, for his consideration:

The Senator knows that the success of every great movement like this depends on keeping up the momentum, maintaining the enthusiasm unabated. We know that all forms of human enthusiasm are subject to fluctuations. That is the danger. Now, we have worked the public mind up to the idea of carrying out this superb plan for the improvement of Washington. The public is willing to defray the expense.

The public mind has been full of the project. As time goes on, there is just a chance of the public enthusiasm about the plan abating. Then somebody will come along and say: "What is the use of carrying out this great, extensive plan? Let us contract; let us do something practical." That is the word that is ordinarily employed under those circumstances. "For all substantial purposes we can have everything that the public has had in mind, and yet do it at much less expense"; and then the whole plan, just as likely as not, would be marred so far as beauty and completeness were concerned.

In other words, the public might get just a little bit in the frame of mind of the boy that Benjamin Franklin speaks of in his autobiography. You will recollect that he wanted to sharpen his ax, and so the cutler said to him, "All right; go ahead; turn the grindstone." He turned the grindstone for quite a time, and began to perspire rather freely and grow weary, and then the cutler said, "What are you stopping for?" "Oh," he said, "I think I like a speckled ax the best." Now, that is the danger.

Mr. NORRIS. He changed his mind?

Mr. BRUCE. Yes; he changed his mind. Now, Congress might come to the conclusion that on the whole it preferred not a perfectly burnished, keen-edged ax but a speckled ax; and then all our efforts to bring about and make a reality of our splendid vision would be defeated.

Mr. NORRIS. The fellow who turned the grindstone changed his mind; and when he changed his mind he did it, perhaps, for sufficient reasons. He had a right to change his mind. He did not like the program, and he had the program changed. The fellow who is turning this grindstone is the taxpayer; and he may say, "Although you fellows have fixed this all up, and oiled the machinery and gotten it good and slippery, and you are trying to put it across, I am turning the grindstone and I would rather have a different kind of program. I would rather wait until I have paid my debts before I construct ex-



travagant buildings and pay tens of millions of dollars for the purchase of land upon which to build them."

The fellow who is turning the grindstone is out in the country. We are holding the steel to the grindstone. He has to turn it, and now, while we have him in a favorable mood and he is ready to start in and turn that crank, we think we had better apply the lever and bear down until the sparks fly. But the fellow who is turning the grindstone ought to have the right, at some time before this program is carried out, to change his mind and call a halt. I am opposed to carrying this out, even considering the reasons which are given for carrying it out.

Mr. COUZENS. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Michigan?

Mr. NORRIS. I yield.

Mr. COUZENS. I think it has been overlooked that the cost of this thing has not been fully stated. For instance, the District will lose from three to four million dollars a year in taxes.

Mr. NORRIS. Yes.

Mr. COUZENS. And the Government will pay \$1,000,000 as interest on that money. So it is safe to say that there are four or five million dollars that we could easily afford to have added to the cost as time went on, because we are going to spend four or five million dollars a year to carry that property indefinitely, and I do not think that is good business.

Mr. SMOOT. Mr. President—

Mr. NORRIS. No; let me answer the Senator from Michigan. I will yield to the Senator in due time.

Mr. SMOOT. I wanted to state the facts in regard to the tax question.

Mr. NORRIS. I will give the Senator an opportunity to make a statement, but I want to answer one Senator at a time. Is the Senator from Michigan through?

Mr. COUZENS. Yes.

Mr. NORRIS. I want to thank the Senator from Michigan. In his usual concise, straightforward, businesslike way he has put his finger on another place that I would have forgotten, although I have had my attention called to it, and I am reminded of it now by the Senator from Michigan. A Member of the House of Representatives told me last week that already, on the theory that we are going to take a lot of property in the District from under the taxgatherer, a movement has been started to change the provision in the District appropriation bill with regard to the proportion the District shall pay toward District expenses. Already they have begun to say—and there is some reason for it; I am calling attention to this without criticism upon the men who are advancing that theory—already they are beginning to say, "You have removed from taxation a large block of property here. Therefore the Federal Government must pay a higher proportion of the expenses of running the city of Washington."

If the Senator from Utah had something he wanted to say in regard to this, I will yield to him now.

Mr. SMOOT. I just wanted to call attention to the fact that the taxes are not \$3,000,000—

Mr. COUZENS. The Senator pointed out the other day that the property would probably cost \$25,000,000, and I take it at \$20,000,000, as the probable assessed valuation of it all, and multiply that by \$1.80, which is the rate, and that makes \$3,600,000.

Mr. SMOOT. The Senator must figure again. He forgot to take off one cipher.

Mr. COUZENS. Yes; it should be \$360,000.

Mr. SMOOT. That is right; not \$4,000,000.

Mr. COUZENS. Then, of course, it depends on the number of years it runs.

Mr. NORRIS. Of course.

Mr. SMOOT. When we have this land and the buildings, we will not pay the rent we are paying now.

Mr. NORRIS. No; but when we get the land, we do not get the buildings; we will have to construct them afterwards.

Mr. COUZENS. I am heartily in accord with this plan; I am heartily in accord with putting up every necessary building, but I object to holding land vacant, in prospect, for years and years to come, when everyone knows that the property can be secured at any time the Government desires to have it.

Mr. NORRIS. Of course, and can probably get it at a lower price than that for which it can be purchased now.

Mr. President, 24 years ago there was propaganda started in this city to buy one of the squares here upon which to erect a building in which to keep the archives and records of the Government. I was on the committee that reported in favor of that measure. It was the first committee I was ever on in the House of Representatives, and I think most of the com-

mitteemen felt as I did. We were frightened for fear we would not get that building put up soon enough, because there was so much danger of fire, and we feared that the precious documents belonging to the Government would be destroyed in the buildings in which they were then kept, which were not fireproof. We rushed our measure through; we passed it.

Mr. SMOOT. It ought to have been carried out.

Mr. NORRIS. After the land was sold everybody forgot about the building that was to be erected on it, and it was nearly 20 years afterwards before the Government did build on that particular piece of land. In the meantime we lost for 20 years, if that was the time—it was at least 15—the taxes that would otherwise have been paid on that land during all that time, and I venture to say that it will be after the end of the service here of many of us, including myself, that there will be buildings put on all that land to the south of Pennsylvania Avenue if we buy it now. There is no question about that.

It is not a question of taxes for one year, but it is probably a question of taxes for 20 years instead, and those people who pay taxes in the District of Columbia will have the right to say, they will have some reason to say, "You have taken away the possibility of our raising taxes here, and therefore you must contribute a larger sum."

So there are just millions and millions and millions of dollars for the taxpayers of the Nation involved in this proposition. I would like to put it off until we pay some of our debts.

Mr. HARRISON. Mr. President, while this question is under consideration, it might be well for us to consider the large amount of surplus now in the Treasury and what the Congress is going to do about it.

I hold in my hand a bulletin just issued by the Treasury Department. We had thought that there might be a surplus in the Treasury this year—it had been variously estimated—but hardly any of us had dreamed that it would be as much as it is, and these last figures are somewhat startling. This bulletin reads:

The Treasury's surplus for this fiscal year will be approximately \$500,000,000, instead of \$383,000,000, estimated by President Coolidge in his Budget message, it was indicated at the Treasury to-day.

The higher surplus will result from unexpected increase in income-tax receipts. The last quarterly income payments were being received at the Treasury to-day. Officials estimated that they would amount to \$450,000,000, compared to \$355,962,000—

And so forth.

Mr. President, we may discuss this measure and that measure before this body and the other House, but the American people are more interested in the question of taxation than any other. They have carried the burden of heavy taxes through the war and since the war, and it is now incumbent upon us, if the Treasury will bear it, to relieve that burden.

President Coolidge has said many wise things and done some few wise things. In his message recently before the Congress he employed this language:

What I desire to advocate most earnestly is relief for the country from unnecessary tax burdens. We can not secure that if we stop to engage in a partisan controversy. . . . I therefore urge both parties of the House Ways and Means Committee to agree on a bill granting . . . temporary relief.

The President in that message undertook to condemn partisan controversy. The country will likewise condemn partisan controversy and partisan action.

This Congress will expire on the 4th of March next. Only a short time is left for the consideration of this question, as well as the other many big and important questions. No other Congress will convene, unless an extra session is called, until December next year. I read in the papers that the majority members of the Ways and Means Committee of the House of Representatives have decided that nothing be done with reference to tax reduction at this session; that a majority of that committee prefer that the surplus shall be devoted to the payment of the national debt. I read that there is now a petition being circulated by members of the minority party in the House, under the rules of the House, in order to obtain a sufficient number of names to bring up for consideration in that body this tax-reduction question.

Mr. President, there is no reason why a bill should not be brought out in the House of Representatives, considered speedily and rationally by that body, and sent to the Senate for its consideration. If a majority of the House of Representatives believed in the plan of the President that a 25 or 30 per cent rebate be given to the taxpayers of America upon the present law, and a minority of that body should filibuster against a measure embodying that idea, or thwart its passage, then they



would be guilty of partisan politics and condemned by the country.

If such a measure should come before this body, and a majority of the members of the Finance Committee, sanctioned and approved by a majority of this body, believed in the President's proposal of a 25 or 30 per cent rebate upon the present law, and we of the minority who do not believe in that policy should consume the time of the Senate and thwart the passage of that measure and defeat it, then we would be guilty of partisan politics and condemned by the country.

On the other hand, if a majority of the House of Representatives believed that there was a large surplus—as there is said to be by the Treasury—and that taxation should be reduced to the people, if a majority believe that the automobile tax should be eliminated or reduced, that the corporation tax be reduced, that the amusement taxes be wiped out as war relics, and that the income taxes in the smaller brackets, say from \$70,000 incomes down to the lowest, should be reduced so that the surplus would be absorbed, and then the minority should thwart the plans of the majority and defeat them, they would likewise be guilty of partisan politics, and condemned by the country.

After it had passed the House, let us say, and came to the Senate, and the majority of this body was for a really constructive measure carrying out the idea, writing a permanent law, so that no more taxes should be exacted from the people than are necessary for the orderly administration of the Government, and we should wipe out automobile taxes, or reduce them, reduce corporation taxes, wipe out amusement taxes or other nuisance taxes, and then give reduction on incomes in the lower brackets, below \$70,000, and a minority, in order to defeat the plans of the majority, should filibuster, consume time, and should prevent the passage of the measure, they would be guilty of partisan politics, and would be condemned by the country.

Then, if both Houses of the Congress believed in and passed a law making a substantial reduction by writing a constructive measure giving relief to the people, and it should go to the President and he should veto that measure, he would be guilty of partisan politics, and condemned by the country.

So, if there was ever a time in which men of every political faith should join together and try to give relief to the people it is in this session of Congress. Therefore, Mr. President, these words of the President bespeaking nonpartisanship in the consideration of this question should be accepted by the Members of the House and the Senate, and they should free themselves of partisan taint.

We should have tax relief at this time. The Treasury says that the Treasury will stand it, and I want to congratulate the chairman of the Committee on Finance [Mr. Smoot] for holding in that committee and refusing to bring out at this time the French debt-funding agreement. Let France act first. Let us see what she intends to do. I believe that the country approves that course. I know there is propaganda in the country to create a sentiment for debt cancellation.

I read the other day with amazement and surprise of the action of the French Government in their estimate asking for 1,800,000 and more francs to carry on propaganda, with a footnote that a large part of it was to be expended in the United States.

In another item of the French budget there was an estimate, under extraordinary expenditures, of 6,000,000 francs to carry on propaganda somewhere. Part of it, of course, is to be used in this country. A little less appropriation was made by the French Government last year for propaganda purposes. It is here. It is working in devious ways. There is some little sentiment growing for cancellation, but it is a very small part of the sentiment in America. It is well that we should be upon our guard and see to it that these seeds take no root. But, Mr. President, of course, how much we get from France is a matter that enters into the consideration of tax reduction.

But I appeal to the members of the majority party here and of the other House that they put their heads together, that they frame some tax relief measure and bring it up for consideration, first in the House and then here. Let the will of the majority prevail. Let the American people see written into law a constructive measure so that year after year we will not pile up a \$500,000,000 surplus. The President has said in his messages, and the Secretary of the Treasury has said, in so many words, that taxation when not needed for the orderly administration of the Government is but robbery; that it is an injustice; that it is wrong.

Let me read from his message to the Congress in 1925:

No right exists to levy on a dollar or to order the expenditure of a dollar of the money of the people, except for a necessary public pur-

pose duly authorized by the Constitution. The power over the purse is the power over liberty.

I shall not be a party to perpetuating that wrong at this time upon the American people. I would like to see the administration get behind some kind of a bill. I am quite sure that it will not meet in every detail my approval, but if a majority of the Congress should approve it then I want to see it written into law. When we get into the majority, which will not be long, then we can amend it and write views into the law. If the administration and its satellites in the Congress fails, they are betraying the American taxpayer and is entitled to condemnation.

Mr. SWANSON. Mr. President, if there is anything that is certain it is that the appeal made by the Senator from Mississippi [Mr. HARRISON] and other Democratic Senators will not be available or effective at this session of Congress. If there ever was a declared policy on the part of the Republican Party during the last five or six years, it has been to use tax reduction for political campaign purposes. Every tax reduction has been made for the purpose of electing either a Republican President or a Republican House and Senate. There have been three reductions in taxes. There could have been twice as much of a reduction each time as was made, based on the revenues and the surplus in the Treasury, except that the Republican Party desired to dole it out for two or three elections.

I prophesied during the last campaign that if there was a Republican Senate and House returned there would be no tax reduction at the short session of Congress, because the Republican Party clearly intended to delay tax reduction to give it a political campaign issue in 1928.

If the House and Senate had been Democratic the Republicans then would have insisted on a tax reduction so as to share with the Democrats the political advantage that would come from relieving the people from the heavy hand of taxation.

But what do we witness here to-day? The President with one plan, the Secretary of the Treasury with another plan, the Ways and Means Committee of the House with still another plan, and other Republicans with still a different plan. We have had the Democratic members of the Ways and Means Committee of the House making an appeal to the Republicans of that committee, and the Republicans in the Senate and House to meet in a nonpartisan way and get rid of this surplus of \$500,000,000 that will be in the Treasury on the 1st of July.

The last time this issue was here we prophesied that the surplus would be twice what the senior Senator from Utah [Mr. Smoot], chairman of the Committee on Finance, prophesied it would be; but he stood here in all seriousness, his voice trembling with fear and apprehension, on his countenance depicted a deep gloom, and said: "We have reduced to the fullest extent possible in the reduction made last year." But we witness now a surplus of \$500,000,000 expected on the 1st of July. Every prophecy made by the Secretary of the Treasury, every prophecy made by the chairman of the Finance Committee of the Senate as to the surplus that would exist when tax reduction was made has not been verified; but the surplus has always been twice as much as these scientific financial prophets have portrayed.

What is the situation in the country to-day? There is a surplus or will be on July 1—a surplus of \$500,000,000. Last year nearly a billion dollars of the public debt was paid, and this year another billion can be paid. How? Out of the economy of this administration? No. Since it has been in power this administration has recommended, under the Budget, \$351,000,000 more than Congress has appropriated. Thus the economy of President Coolidge disappears when the administration recommends \$351,000,000 more than Congress appropriates. The saving of money has been in the Congress and not in the executive department.

Mr. MAYFIELD. Mr. President—

The PRESIDING OFFICER (Mr. LENROOT in the chair). Does the Senator from Virginia yield to the Senator from Texas?

Mr. SWANSON. I yield.

Mr. MAYFIELD. It is suggested by some of the editorial writers of the leading papers of the Nation that the principal reason why the Republicans are opposed to tax reduction is that out of this surplus they expect to take \$375,000,000 or \$400,000,000 for farm-relief purposes. I would like to have the Senator comment on that suggestion.

Mr. SWANSON. That is another one of the fake issues of the last campaign—fake farm relief. Now they come here talking about economy, but it is a fake economy when an administration recommends \$351,000,000 more than the Congress has appropriated. The Republican Party has been holding itself



out as the great champion of tax reduction during the last two campaigns, and when the issue has been made in Congress by the Democrats to make a tax reduction, each time almost twice as great as they proposed, they have said it could not be done. Every time the Democrats have been vindicated by the revenue collected. What is the issue now? The Republicans say, "Do not reduce taxes now at the short session. Do not relieve the people. Collect with a heavy hand \$500,000,000 in taxation more than the Government needs—for what purpose? In 1928 we will be for tax reduction. In 1928 we will have learned what can be done. In 1928 we hope to win another election as the great champions of tax reduction."

What does that mean, Mr. President? It means in order to have a campaign issue in 1928 the Republican Party is willing to collect more than \$500,000,000 each year from the people to create for them a campaign issue upon which the presidential election can be conducted. I deny that that is right. I deny that a political party has the right for partisan purposes to collect from the people \$500,000,000 more each year than is needed. Note my prophecy. In 1928 the very people who are now in favor of retiring bonds, who are coming here protesting against tax reduction now, will be here demanding a tax reduction after they have collected nearly a billion dollars more from the people in taxes than is needed for the administration of the Government, and that in order that they may again hold the flag of tax reduction. That is fake tax reduction. I want the people to understand that a party has no right for partisan political purposes to take by heavy taxation the profits, the money, and the earnings of the people and put them into the Treasury when such a vast sum is not needed. Any money that is taken in excess of Governmental needs is exaction, and they confess they are taking more than is needed.

Mr. SMOOT. It is to pay the Government's debts.

Mr. SWANSON. But the Senator from Utah will not be so anxious in 1928 to pay the Government debts. In 1928 I can guarantee that, and I can see that cheerful countenance of his changed from present gloom to joy and prophesying more revenue in the Treasury than is needed and a great surplus of money and asking relief for the people in order to get the votes they will need in the next presidential election. His countenance will be transformed from gloom to joy, and his hand will be the principal hand stretched out in 1928 to give tax relief for political purposes. The conditions will not be changed. I want the American people to understand now that in 1928 those Senators who are now opposed to tax reduction will then be the champions of tax reduction. That is not right. This is a nonpartisan measure. Why talk nonpartisanship and have a delay in reducing taxation, and then with your vote destroy all the possibilities of it?

The party that is willing to collect each year \$500,000,000 more than is needed for governmental purposes and pay premiums on bonds and retire debts in half the time ever contemplated and make this generation pay all the burdens of the war is not the party that can be trusted to conduct in a nonpartisan way this great fiscal system. That very fact shows that the Republican Party is not worthy of confidence and the people can not be deceived further. The Republican Party has conducted its claim on public confidence upon four fake propositions—fake economy when your President has recommended through the Budget \$351,000,000 more than Congress has appropriated. They have voiced their claims of a desire for farm relief, and yet they talk and talk farm relief, and all their farm relief has been fake, fake. No bills supported by the administration, except a mere fake proposition, so far as farm relief is concerned, have come here for the consideration of Congress.

Then they have another fake on which they conducted their campaign. They are always appealing to the people on fake economy and fake tax reduction. Then they come and insist further on settlement of foreign affairs, one day very aggressively and the next day very mildly, one day very pleasant and the next day not so pleasant, and then we find that the foreign conditions have become all complicated and we have lost all the friends we have ever had. In generosity we settled vast amounts loaned with a liberality unprecedented, and yet we are hated for it—why? Because in the way the matter has been conducted here we have made them think we have taken France and Italy and Great Britain and put them on a table and extorted from them every dime, nickel, and penny, as well as all their clothes and all their food, when we have, as a matter of fact, made generous and magnanimous settlements with them. Our responsible Republican leaders have talked one way in America and another way in Europe, with the result we have lost our friends abroad.

Mr. REED of Pennsylvania. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Pennsylvania?

Mr. SWANSON. With pleasure.

Mr. REED of Pennsylvania. Does the Senator share the sentiments expressed by the recent candidate for the presidency, Mr. Cox, that we ought to cancel all the debts?

Mr. SWANSON. I do not. I think we have gone further in the cancellation and reduction than we should. The Senator's party no longer speaks for the country.

Mr. REED of Pennsylvania. Can the Senator tell us what doctrine on that subject came out of Madison Square Garden? What is the philosophy of the Senator's party?

Mr. SWANSON. The philosophy of my party is that those people ought to settle their debts fairly and justly. I voted for the English settlement. I voted for the Belgian settlement, too. I voted against the Italian settlement because I believed it was a settlement that was not fair to the taxpayers of America.

Mr. REED of Pennsylvania. Then the Senator does not agree with former Secretary Newton D. Baker, a prominent Democrat, that we ought to cancel all of the debts?

Mr. SWANSON. I do not—positively I do not.

Mr. REED of Pennsylvania. Does the Senator speak for a minority or a majority of the Democratic Party?

Mr. SWANSON. I speak for myself, and I wish the Senator could say as much for himself at all times and that he did not have a party that is always meandering in every direction to speak for.

Mr. HARRISON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Mississippi?

Mr. SWANSON. I yield with pleasure.

Mr. HARRISON. May I say that I think the Senator from Pennsylvania is wrong with reference to his quotation from the ex-Governor of Ohio, Mr. Cox. I do not think he ever said that he favored cancellation of the foreign debts.

Mr. REED of Pennsylvania. I am very glad to know that. The newspapers stated that he did, and perhaps I jumped at the conclusion that they were making accurate statements.

Mr. HARRISON. He did say that he was for a modification of the terms. The statements by former Secretary of War Baker that I saw quoted were to the effect that he was for cancellation. May I say, too, with the Senator from Virginia, that he spoke for himself and not for the Democratic Party?

Mr. SWANSON. Mr. President, I speak for myself; I speak my own convictions and my own views. The Democratic Party has not announced itself on this subject. I, as one Democrat, believe in dealing liberally and fairly with our former allies, but not in a foolish and sentimental way. I believe that it is folly to try to keep an immense surplus in the Treasury or to retire our debts at the rate of a billion dollars a year and thereby give further excuse to those who wish to cancel all those debts.

I believe that nothing would give greater stimulus to business, nothing would do more to relieve the uncertainty in business circles to-day than a fair, honest, nonpartisan reduction of taxes, and to let the money stay in the pockets of the people who produce and earn it, to be used for new enterprises, for development, and for business. I am astonished that the Republican Party should throw down the flag of tax reduction now, expecting to take it up again in 1928. We should be true and loyal and, irrespective of partisan politics, stand for tax reduction now, for that is the issue above all others in this country.

Mr. HEFLIN. Mr. President, I am in hearty accord with what the Senator from Virginia [Mr. SWANSON] has said and also with what the Senator from Mississippi [Mr. HARRISON] has said in his speech. The Senator from Virginia referred to the indicated intention of the Republican Party to retire bonds. I recall that when the Republican deflation panic was upon the country in 1920 and 1921 the money sharks of Wall Street purchased Liberty bonds and other Government bonds which were in the hands of the American people for 75, 80, and 85 cents on the dollar. They gathered up practically all of the bonds that were in the South and the West and hold those bonds to-day. When the Republican officials are taxing the business of the country, imposing this further and unnecessary burden upon the taxpayers of the United States, they are doing it for the benefit of the bondholders who purchased these bonds from an oppressed and distressed people for 75, 80, and 85 cents on the dollar, and the sooner these particular bonds are retired the greater the profit will be to these favored bondholders who profited by the unfortunate condition of certain classes of the American people during the panic brought on by the leaders of the Republican Party.



The Senator from Virginia and the Senator from Mississippi are entirely right. The Republican Party expect to use tax reduction as a political campaign issue in 1928; they expect to go to the country just before the next presidential election with another proposition to reduce the taxes of the country. Mr. President, those taxes ought to be reduced now. Why continue unnecessary and unjust taxes upon the American people when a surplus is accumulating and increasing in the Treasury? My good friend the junior Senator from Texas [Mr. MAYFIELD] suggests that somebody said the Republicans might decide to use some of this surplus for the relief of the farmers of the country. Mr. President, the Republicans have not the slightest idea of using a single dollar of the Treasury surplus to aid the farmer. They had the opportunity to aid the cotton farmer and the grain farmer in the month of July this year before the cotton crop was ready for the market and before the grain crop had gone out of the hands of the grain farmer, but they turned their backs upon them; they declined to do one thing for the farmers.

The suggestion that some relief for the cotton farmers may be had after Christmas is like locking the stable door after the horse has been stolen. Mr. President, by that time four-fifths of the cotton crop will be out of the hands of those who produced it. Who, then, is going to be benefited by this delayed farm-relief proposition? It will then benefit those who have bought the cotton at a low price and gotten it out of the hands of the farmer at a figure far below the cost of production.

That is not all, Mr. President. The present Secretary of Agriculture does not show any serious concern about relief for the cotton or grain farmer. The fact is the Corn Belt is calling for his resignation. I hold in my hand a clipping from the Washington Post of this morning, which reads as follows:

CORN GROUP DEMANDS REMOVAL OF JARDINE—GROWERS' ASSOCIATION DECLARES SECRETARY SHOULD BE REPLACED BY PRACTICAL MAN

DES MOINES, IOWA, December 14.—Removal of Secretary Jardine, of the Department of Agriculture, was asked to-day by the National Corn Growers' Association, meeting here in annual convention.

Mr. President, the farmers themselves are dissatisfied with the man the President has placed at the head of the Agricultural Department. I have lodged complaint against him heretofore, and I lodge it again to-day. He is holding at the head of the crop estimating board at this hour a man who was born in Canada, which is a part of the territory of Great Britain. That man came into the United States; he drifted down to Washington; and he is now in the Agricultural Department at the head of the cotton crop estimating board. I dare say he never saw a cotton blossom or a cotton boll. He knows nothing about the cotton plant, and he knows nothing about the problems of the cotton farmer; and yet this man, who was born in Canada, a part of the British Empire, is held at the head of the crop estimating board; and Great Britain buys more raw cotton from America than any other country in the world.

Mr. President, how can Great Britain be benefited? Every time he estimates a big crop he breaks the price from five to fifteen dollars a bale, and every time Great Britain makes a purchase of American cotton she saves millions of dollars on that purchase. So the Secretary of Agriculture under Mr. Coolidge holds in the Department of Agriculture a man who comes from territory in the British possessions, born in the British Empire. He sits at the head of the cotton crop estimating board, and has in his power the putting up or the putting down of the cotton price. This year he has put it down.

The farmers in my State alone have lost \$44,000,000 on account of these estimates, the cotton growers of the South have lost \$600,000,000, and in spite of the protests made by myself and others in the cotton-growing States, Mr. Callender remains chairman of the crop-estimating board, and Mr. Jardine is so conducting the office of Secretary of Agriculture that he has aroused the antagonism of the grain growers of the West and of the cotton growers of the South, and the Corn Belt people are asking for his removal.

God knows the farmers need sympathy and aid. Ninety per cent of the farmers of the West are mortgaged; their personal effects are mortgaged; their real farms are mortgaged. The farmers of the South also are mortgaged, and cotton to-day is selling below the cost of production. We are crying out for help, but we are not getting any. I saw the Republican Senate turn down farm-relief measures before we adjourned here in the summer. The Robinson bill, which provided a revolving fund which would have grown to \$500,000,000, was defeated. The McNary-Haugen bill, which was not entirely to my liking, was turned down by you. I supported it when cotton was left out of the equalization fee, but it was also defeated, and

Congress adjourned without doing anything for the grain grower and without doing anything for the cotton grower. To-day the speculators in grain are flourishing and clipping their coupons; to-day the speculators in cotton are flourishing and clipping their coupons. The gamblers are reveling in evil-doing and having a good time, but the producers are oppressed; they are in deep distress and I regret to have to say they cry in vain to this administration for relief.

Mr. COPELAND obtained the floor.

Mr. SMOOT. Will the Senator from New York allow a vote to be taken on the pending bill? Then we can take up the appropriation bill.

Mr. COPELAND. I am very glad to do that, because I do not want to interfere at all with the passage of the bill; but I do wish to make some remarks on the matter which has been discussed in the Senate.

The PRESIDING OFFICER. The bill is before the Senate as in Committee of the Whole and open to amendment.

Mr. KING. Mr. President, I do not wish to take the Senator from New York from the floor, but I should like to ask my colleague what appropriations are alluded to in section 2 of the bill and how much do they aggregate?

Mr. SMOOT. That section refers to the \$50,000,000 appropriation for public buildings in the District of Columbia, \$10,000,000 each year for a period of five years.

Mr. KING. Does the Senator construe the bill now before us as not authorizing to exceed \$25,000,000?

Mr. SMOOT. Absolutely, that is all, and it is for the purpose of purchasing the land, and nothing else.

Mr. KING. I think this bill is very unwise at this time; I think the fixing of the amount of \$25,000,000 is particularly unwise. I wish that the committee had taken the view—and I think that is the correct view if this land is to be purchased and is necessary—that it would have been wiser to have recommended a measure calling upon the Secretary of the Treasury or some appropriate officer to negotiate for the purchase of the land and report back to Congress the terms upon which the land could be purchased and his recommendations. When we appropriate \$25,000,000, as we do in this proposed measure, it will mean, if it should become a law, that the entire \$25,000,000 will be expended. If we had passed a measure or if we shall pass a measure which says that the Secretary shall make a reconnaissance, and shall ascertain what the land can be purchased for, and shall not be directed to purchase it, I have not any doubt in the world that the figures for which the land may be purchased would be very much less than \$25,000,000.

This bill commits us irretrievably in its operation to the expenditure of \$25,000,000; and, in my opinion, the Government will be out from five to six or seven million dollars more than it ought to pay for this land. It is unwise, it is premature, and I will say for myself that I am not in favor of the bill at the present time.

The PRESIDING OFFICER. The bill is still before the Senate as in Committee of the Whole, and open to amendment. If there be no amendment to be proposed as in Committee of the Whole, the bill will be reported to the Senate.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed a joint resolution (H. J. Res. 303) to correct a misnomer contained in the act to fix the salaries of certain judges of the United States, in which it requested the concurrence of the Senate.

#### TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. WARREN. Mr. President, agreeably to my notice of last night, I ask now that the Senate proceed to the consideration of House bill 14557, the supply bill for the Treasury and Post Office Departments.

The PRESIDING OFFICER. The Senator from Wyoming asks unanimous consent for the present consideration of House bill 14557. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 14557) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1928, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. WARREN. I ask that the formal reading of the bill be dispensed with.

The PRESIDING OFFICER. The Senator from Wyoming asks that the formal reading of the bill be dispensed with. Is there objection? There being no objection, it is so ordered.



Mr. COPELAND. Mr. President, do I understand that I lost the floor?

The PRESIDING OFFICER. The Chair does understand that the Senator lost the floor.

Mr. COPELAND. I ask for recognition now. Have I it?

The PRESIDING OFFICER. The Senator from New York.

#### TAX REDUCTION

Mr. COPELAND. Mr. President, I shall detain the Senate but a moment.

Last June I suggested that a further reduction in income taxes in the form of a 25 per cent rebate might be made. After two or three days the chairman of the Finance Committee, consulting with the Treasury Department, came before the Senate to reply to my suggestion. In a long speech he presented the view that there would be no such surplus as to justify any further reduction of last year's taxes. It has since developed that there is a surplus amounting to nearly or quite half a billion dollars.

I have no desire to discuss this matter in any partisan sense; but I call the attention of the Senate to the fact that my State pays more than a third of the individual income tax. It is my judgment, therefore, that a Senator from the State of New York has not only the right, but it is his duty, to call the attention of the Senate to the situation and to present what he believes to be the views of his constituents as regards this particular measure.

I desire to say that the sentiment in my State is in favor of a return to the taxpayers of a reasonable amount of this surplus—such an amount of the surplus, certainly, as has been accumulated by reason of the tax itself.

What right has the Government of the United States to use money which has been collected from the taxpayers of the country on the theory that that money is needed for the operation of the Government, and divert that money to the payment of the national debt or any other purpose than the maintenance of government? I think the President of the United States himself stated that to use it for any other purpose is "legalized larceny"; and, for my part, I want to say that I think it is legalized larceny to make any other use of it.

That money belongs to the taxpayers, to the men who paid it into the Treasury under a mistaken idea that that amount of money was needed. I am perfectly clear that there is no other honest course open to the Government except the return of those funds to the persons who advanced the money.

I sometimes read in the editorial columns of some of the New York papers the idea of the editors that this money should be used for the reduction of the national debt. That may be the thought of the editors of certain newspapers, but it is not the thought of the citizens of my State who have contributed so largely to this surplus.

I appeal now to the chairman of the Finance Committee and beg him to use his powerful influence toward a legislative situation which will permit the Congress of the United States, at the very least, to debate the question of whether this money shall be used for the reduction of the national debt or whether it shall be returned to the taxpayers to whom the money belongs.

I should feel that I am lacking in a proper sense of responsibility to the citizens of my State if I failed to make clear the conviction I have in my heart. This is a conviction founded upon conversations with hundreds of citizens of my State. They expect this money to be returned, and they do not expect, either, to have it returned in the way of credits on next year's income tax. Many men who paid income taxes this year may not pay any next year. It is not the men and women who are going to pay taxes next year who are entitled to a rebate or to a credit. This money belongs to the individuals who paid it; and if there is honesty in government, I contend that it is the duty of the Government to find a way to return the funds to the taxpayers who this year have contributed to the surplus.

Mr. SMOOT. Mr. President, the Senator from New York referred to a statement that I made, I think, on June 7, 1926, when the present revenue act was under consideration in the Senate. The estimates given to the Senate at that time by me were the estimates made by the actuary of the Government. I desire also to say at this particular time that in June, 1926, no one anticipated that the business of the country for the year 1926 would exceed that for the year 1925. It was almost unthinkable. I doubt whether a single man in all of the United States thought for a moment that the business of 1926 would be far ahead of the business of 1925.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from New York?

Mr. SMOOT. Yes.

Mr. COPELAND. I referred to a colloquy I had with the Senator, I think, in June of 1926.

Mr. SMOOT. June 7. I remember it very well.

I was saying to the Senator that the estimates that were made at that time, and submitted by me to the Senate, were based upon the anticipated business for 1926. I also stated that no one in the United States thought that the business of 1926 would exceed the business of 1925, which was considered the banner year for business in the history of the United States; but it has exceeded it, I will say to the Senator. I remember very well, Mr. President, that in my remarks I gave the estimate for the first six months of the calendar year 1926, and called the particular attention of the Senate to the fact that the next six months—speaking of the fiscal year—from January 1 until June 30 was the time when the test would come; that is, for that fiscal year.

I remember submitting to the Senate an estimate that for the first six months of the calendar year—that is, from the 1st of January, 1926, to the 30th of June, 1926—there would be a considerable surplus; but the estimate of the actuary, as I remember it, for the next six months of the calendar year 1926, which ends on the 31st of December, was that there would be a surplus of revenue of only something like \$11,000,000, as I remember. I have not looked over my remarks of late, but I am quite sure that is the figure. But the business of the United States, as pictured here by the Senator from Mississippi and the Senator from Virginia, was so far in excess of the wildest dreams that the revenue has increased and netted to the Government of the United States over \$300,000,000 more than was anticipated.

I do not know any one who could have pictured the wonderful prosperity of the country under this administration any more vividly than it has been pictured here to-day. It is due, Mr. President, to the fact that business of every kind and nature under this administration is so prosperous, making the profits so large, and the volume of business done so great, that it has yielded to the Government of the United States \$300,000,000 more revenue than was anticipated.

Mr. COPELAND and Mr. WALSH of Massachusetts addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. In just a moment.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield to permit me to challenge his statement?

Mr. SMOOT. Yes; the Senator can challenge it if he wishes. Mr. WALSH of Massachusetts. I should like to ask the Senator if he has visited Massachusetts or New England recently?

Mr. SMOOT. No; not recently.

Mr. WALSH of Massachusetts. Has the Senator heard anything about this great "prosperity" in that section of the country?

Mr. SMOOT. I have heard that the cotton industry is not in a prosperous condition, and I think I can tell the Senator the reason why.

Mr. WARREN. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Wyoming?

Mr. SMOOT. Yes.

Mr. WARREN. I desire to ask if my colleagues will not postpone for a time all this political oratory, so that we can get along with the appropriation bill.

Mr. SMOOT. Yes. I would have been through before this—

Mr. WALSH of Massachusetts. I do not wonder that the Republican side does not welcome an inquiry into its claim of "great prosperity." It is easy to make sweeping generalities and deny a request for specific proof.

Mr. SMOOT. If there was not prosperity, we would not have the revenue, would we?

Mr. WALSH of Massachusetts. The prosperity boasted about is confined to a very limited class, chiefly the bankers, the trusts, and the speculators; not the rank and file of the American population. It is the prosperity of the few while the masses are unemployed and the small merchant faces financial ruin.

Mr. SMOOT. Mr. President, the returns do not sustain that statement. The prosperity is universal, with perhaps the single exception of the cotton industry, and I want to say to the Senator that he voted against the rates that were put into the law to prevent cotton goods coming into this country, as they have been doing.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. SMOOT. Just a moment. I want to say that the predictions of the Democratic Party were that the tariff bill as passed in 1922 would prohibit the importation of goods into this country. We heard that cry from Democratic Senators, that we would collect but little revenue because the tariff wall was so high that goods could not come into this country. Notwithstanding that, last year there were collected at the ports of entry \$579,000,000, little less than ever were collected at the ports of entry in any two years under a Democratic tariff law. So the predictions that were made were not fulfilled, and I knew they would not be.

Mr. COPELAND. Will the Senator yield?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. COPELAND. The Senator knows that I have not been discussing this matter in any partisan way—

Mr. SMOOT. I am aware of that.

Mr. COPELAND. I am interested in knowing what the attitude of the chairman of the Finance Committee is toward this enormous sum of money which is now in the Treasury.

Mr. SMOOT. I will say frankly—and it is only my personal opinion—that the proper thing to do is to pay our obligations with it. We owe \$19,000,000,000, and the quicker we can get it paid off, the better it will be for the taxpayer. When it is paid off, every taxpayer will receive a benefit. It is almost impossible—although I suppose it could be done—to refund a percentage of that paid by every taxpayer this year. I do not know what it would cost, and I do not know how long it would take. As a taxpayer of the country, and as a citizen of the United States, I would very much prefer that we pay our obligations than undertake a refund of taxes.

Not only that, but I think that that would not be fair to many taxpayers. For instance, the amount a taxpayer has paid upon theater tickets could not be refunded. The amount a taxpayer has paid upon tobacco could not be paid back. It is true that under the plan a man who had an income under the old law of \$5,000 would get about 25 cents back. It would not benefit anybody but the great corporations and the men who pay great income taxes. It would materially benefit them, but they number about 500,000 at best.

Mr. COPELAND. Mr. President, before the Senator sits down, I would like to have him tell me whether he thinks it is honest to say to the taxpayers of this country, "We need several hundred million dollars to operate the Government," and then, at the end of the year, when it is discovered that we took from the taxpayers a lot more money than we should have taken, for the Government to take the money which was raised for one purpose and use it for some other?

Mr. SMOOT. Mr. President, the imposition of taxes is not for any one particular purpose. The imposition of taxes is to meet the obligations of the Government of whatever name or nature they may be, whether they are direct appropriations, or whether they are obligations of indebtedness of the Government.

It is true that the Secretary of the Treasury has been able during the last six years to reduce the public debt from \$26,000,000,000 down to \$19,000,000,000.

The Senator can not show that there was ever any tax collected in the United States for the avowed purpose of paying any particular obligation of the Government outside of the act providing for an annual sinking fund. It does not say that any part of the tax collected shall be paid on particular items found in an appropriation bill. It provides that the debts shall be paid, and if anything is collected under existing revenue laws over and above the amount necessary to pay the running expenses of the Government the Secretary of the Treasury has a perfect right to apply the excess amount upon the obligations of the Government, and that is the policy which has been carried out.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. SMOOT. Yes.

Mr. COPELAND. The Senator desires to have the foreign countries owing us pay their debts at some time, does he not?

Mr. SMOOT. I certainly do.

Mr. COPELAND. Does the Senator believe that if we hurry through the payment of our national debt and get it out of the way in 10 or 12 years, we will ever collect anything from foreign countries after that?

Mr. SMOOT. Certainly, Mr. President. I have more faith in the foreign countries than to think that they are going to repudiate their obligations, solemn agreements made between them and our Government. If no settlement had been made, there might be some reason for making such a statement; but we have all the settlements made with the exception of two, one that amounts to but little and the other the French settlement.

Mr. COPELAND. The Senator and I are not young men, and we may not live to realize this prophecy; but I want to say that after we have paid our national debt, after we have paid all the money it cost us to operate the war, we will be shamed into cancellation.

Mr. SMOOT. Mr. President, I do not expect to be in the Senate at that time; but I do expect, if I live long enough, to see the Government of the United States pay its obligations, and I do not expect to see any repudiation of the obligations arrived at through the settlements made by any of the foreign governments. It may be that they may want cancellation; they all want it now, as the Senator knows. The Senator knows the propaganda that is going from one end of America to the other for the cancellation of those debts. You can see it breaking out in different sections of the country. The Senator no doubt has received hundreds of letters with the view of influencing him to vote to sustain the cancellation of those debts.

Mr. WALSH of Massachusetts. Mr. President, are the international bankers responsible for that propaganda, in the opinion of the Senator?

Mr. SMOOT. I want to say to the Senator from New York—

Mr. WALSH of Massachusetts. As usual, the Senator answers only what and as he chooses.

Mr. SMOOT. Only have a little patience. I will answer the Senator later; but I want to answer one Senator's questions at a time.

Mr. WALSH of Massachusetts. It should not take time to answer that question.

Mr. SMOOT. I can not answer two questions at the same time.

Mr. WALSH of Massachusetts. As usual, the Senator is indulging in generalities and charges, then refusing to yield to permit explanation.

Mr. SMOOT. The Senator's question was not along the line of the discussion I was having with the Senator from New York. I am perfectly willing to answer it when I have finished answering the Senator from New York.

Mr. WALSH of Massachusetts. The Senator has shown how willing he is to answer it.

Mr. SMOOT. Yes; I have, because I have said I would answer it.

I was speaking of cancellation of the debts, and I was going to say that, as far as I am personally concerned, I never expect to see the time when I will approve of the cancellation of the debts owing the Government of the United States by foreign countries.

Now, in answer to the Senator from Massachusetts, I have no doubt but that the international bankers want those debts canceled. I think there is not a Senator here but who has seen the letters and the public statements and the other statements coming from that source, seeking the cancellation of those debts. I think the published statements that some wanted to tear down the tariff rates was made with a view of making their loans more secure, and they had that in view.

Mr. HARRISON. Mr. President, let me ask about that.

The PRESIDENT pro tempore. Does the Senator yield to the Senator from Mississippi?

Mr. SMOOT. Yes.

Mr. HARRISON. The Senator says he thinks these international bankers who want to cancel the debts want the walls of the tariff torn down. How does the Senator reason that out?

Mr. SMOOT. I reason it out this way: I think that they believe that it is absolutely impossible to get the cancellation, and the only thing to do is to have the tariff rates lowered so that foreign countries owing them could send goods into this country and secure money enough, perhaps, to pay their obligations to the international bankers.

Mr. HARRISON. But the Senator said that the international bankers want these debts canceled, and that they want the tariff walls removed. What would be the use of removing the tariff walls if the debts were canceled?

Mr. SMOOT. Mr. President, I am taking it for granted that there is not going to be any cancellation, and I take it for granted that they think there will not be, and that that is only a step to take in case the debts are not canceled.

Mr. HARRISON. I merely wanted to get the Senator's reason on the proposition.

Mr. SMOOT. That is the reason.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. SMOOT. I yield.

Mr. COPELAND. Does the Senator seriously believe that it is only the international bankers who want to cancel the debts?



Mr. SMOOT. Oh, no, Mr. President; I did not say that. The question asked me by the Senator from Massachusetts was whether I thought they did want it, and I have told the Senate just what my thoughts are. Of course, they have representatives in all sections of the country. You can see the subject discussed in the press, you can hear it in social gatherings, you can find it in business circles. It is permeating every part of the country, and I think it was the Senator from Mississippi who referred to the budget of France openly appropriating money for that purpose.

Mr. SWANSON. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Virginia?

Mr. SMOOT. I yield.

Mr. SWANSON. The Senator has stated that he thought the international bankers, in their manifestoes, indicated a desire to reduce the tariffs of this country. Secretary Mellon said their desires were limited to a reduction of tariffs in other countries. Does the Senator differ from him in that respect?

Mr. SMOOT. It is my opinion that as far as the tariffs in other countries are concerned, the rates are not worrying them. The tariff imposed by the United States may be—

Mr. SWANSON. Does the Senator think that Secretary Mellon, when he made that statement in the campaign, was either mistaken or misled by these people?

Mr. SMOOT. Not in the least. I do not know whether it is correct or not, but it could be correct and not differ in any way with the statement I have made.

Mr. SWANSON. Secretary Mellon, to allay some fears in the campaign, said the hope was to reduce the tariff barriers in other countries. Is the Senator opposed to a reduction of the tariff barriers in other countries, allowing their goods to come into this country?

Mr. SMOOT. The Senator is perfectly willing that any country in the world may put up whatever tariff barrier it wants to, and I want all the other countries to grant the same privilege to the United States.

Mr. SWANSON. Does the Senator object to the purposes outlined by Secretary Mellon, to have efforts made to reduce the tariff barriers of other countries so that our wheat and cotton and corn and meat can go into those countries and be sold? Does the Senator oppose that?

Mr. SMOOT. There is generally no tariff on wheat or cotton or grain imposed by foreign countries.

Mr. SWANSON. There is in some countries, on some of our various goods. As to some of our goods they do not have free trade.

Mr. SMOOT. The Senator is not going to oppose any kind of policy any foreign country wants to protect its own trade.

Mr. SWANSON. Does the Senator favor reduction in other countries or not? Should our diplomacy be directed to reducing tariff barriers in other countries?

Mr. SMOOT. No, Mr. President; the country itself will take care of that.

Mr. SWANSON. I have not been able to get what the Senator favors.

The PRESIDING OFFICER (Mr. BINGHAM in the chair). The Senator will suspend while the Chair makes an announcement. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The CHIEF CLERK. The bill (H. R. 11616) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. SMOOT. It is none of the Senator's business what the foreign countries do by way of tariff legislation.

Mr. SWANSON. But it is the Senator's business to legislate for the good of this country, and if this country is injured by high tariff walls in other countries it is his business. I want to know whether the Senator is going to favor obtaining foreign markets for American goods.

Mr. SMOOT. Anything that would be favorable the Congress will approve of and so will the Senator from Utah.

Mr. SWANSON. What Congress? I can not get the Senator to say whether he feels that American interests should be promoted by reducing the tariff walls in other countries so we can have a market for our surplus goods.

Mr. SMOOT. I am not going to discuss the question of the tariff of foreign countries.

Mr. SWANSON. The Senator is very wise in not doing so—

Mr. SMOOT. I think so.

Mr. SWANSON. Considering his inconsistency at home.

Mr. COPELAND. Mr. President, the Senator and I have been somewhat diverted from our friendly discussion of tax reduction.

Mr. SMOOT. Yes; we have.

Mr. COPELAND. A little while ago reference was made to international bankers and their desire to have the foreign debts canceled. Then the Senator from Utah made reference to propaganda which has gone on to that effect. I want the Senator to know that there are some people who are influenced by international bankers and by propaganda who consider it would have been a very wise thing for this country to cancel those debts. They believe we are putting ourselves in a position that as a nation we have not a friend in the world. Will the Senator tell me where we have a friend?

Mr. SMOOT. I think that all honest people, no matter where they are in the world, can find no fault justly with the Government of the United States for any settlement that has been made. If their friendship was based upon those settlements, I want to say right now their friendship was mighty weak. Does the Senator think that if an individual is owing another individual, the only way to keep the friendship of the debtor is to forgive him his obligation?

Mr. COPELAND. Oh, no. But the Senator knows the borrower will always hate the man to whom he owes money.

Mr. SMOOT. No; the Senator does not know that.

Mr. COPELAND. The Senator is fortunate. He has never been in debt.

Mr. SMOOT. I do not hate the man who lends me money. If that is all the Senator desires to ask me, I am through. I should like to go on with the consideration of the appropriation bill.

Mr. COPELAND. Just a moment—

Mr. CURTIS. Mr. President, we had an adjournment last night, hoping that we could dispose of the appropriation bill during the morning hour to-day. This debate can be continued when we take up the French debt settlement, or at some other time. I hope the Senator from New York will withhold further discussion so that we may proceed with consideration of the appropriation bill.

Mr. COPELAND. I want to finish my statement. There is an amendment pending, is there not?

Mr. CURTIS. There is no objection to the Senator making his statement. We merely desire to get the appropriation bill out of the way.

Mr. COPELAND. I want to make it clear to the Senate of the United States that so far as my constituents are concerned they do not want this surplus used for payment of the national debt. There is an orderly method which has been devised for the payment of the debt within a reasonable time. Is not that the fact?

Mr. SWANSON. There is a sinking fund required of 2½ per cent of what the indebtedness is less the foreign-indebtedness payments. Under that plan the foreign indebtedness that is paid each year is applied to the public debt. Under that plan the debt would be retired, I suppose, in 30 or 40 years.

Mr. SMOOT. It is less than that now.

Mr. SWANSON. I mean under the sinking-fund requirement.

Mr. SMOOT. That is what I meant.

Mr. SWANSON. This is the finest sinking-fund requirement plan of any nation I know of. All that we ask, as the Senator has suggested, is to fulfill the sinking-fund requirements and let the rest of the money stay in the pockets of the people.

Mr. COPELAND. I am very much obliged to the Senator from Virginia for his comments.

Mr. HARRISON. Mr. President, may I ask the Senator from Virginia a question? The estimate is that during the last five years more than a billion dollars of surplus has been acquired and paid on foreign debts?

Mr. SWANSON. Between \$3,000,000,000 and \$4,000,000,000 in excess of the sinking fund.

Mr. HARRISON. I said the surplus in the last five years over that required for the sinking fund.

Mr. SWANSON. In the last five years, in excess of sinking-fund requirements, between \$3,000,000,000 and \$4,000,000,000 have been retired. Never in the history of the world has there been such a heavy taxation for the retirement of public debt immediately after such sacrifices as were incident to the Great War.

Mr. SMOOT. There is no doubt of that, and I think the American people ought to be congratulated that that is the case.

Mr. SWANSON. Why congratulate the administration when the people have done it? All the credit that is due this administration is that they have reached out their hands and taken \$4,000,000,000 from the American people not needed for sinking-fund requirements and not needed for the conduct of the business of the Government and used it to buy up at par bonds which were sold at 86 and 87 and retire them. That is all that has been done.

Mr. SMOOT. I did not say the administration should be congratulated. I said I thought the American people should be congratulated. I did not refer to the administration.

Mr. SWANSON. I am talking about what the Senator said on the stump and not in the Senate. The people have made the sacrifice.

Mr. SMOOT. There is no sacrifice in paying a debt. The people have to pay the debt, and if it has been paid to the extent of \$4,000,000,000 more, it is because of the prosperity of the country.

Mr. COPELAND. Mr. President, I have no objection to the Treasury making use of money for the payment of the national debt, provided the taxpayers of the United States know that the money is going to be used for that purpose and know it in advance. I contend that the Treasury has no moral right to take money which was raised from the taxpayers, presumably for the operation of the Government, and use it for the retirement of the national debt.

The people of the country understand that there is an orderly method for the retirement of the debt. A plan has been devised so that in the period of about 25 years the debt will be paid. The people know that, and the people in good faith, when they pay their taxes, believe that the money is going to be used for the operation of the Government. But I want to say with the President that in my judgment it is legalized larceny for the Treasury to use the money for the payment of the national debt under such circumstances. So far as the citizens of my State are concerned, they are in opposition to the project, and they think the President is right; that this money should be returned to the taxpayers who have paid it.

Mr. REED of Pennsylvania. Mr. President, will the Senator indicate how it should be returned to the taxpayers who have paid it? It is made up of taxes on cigarettes, custom duties, taxes on automobiles, and so forth. How could we find the people who have paid those taxes?

Mr. COPELAND. I know the Senator from Pennsylvania could not imagine that under any circumstances any plan could be worked out which is in opposition to the scheme he has in mind. But, as I see it, if the same energy were used by the Treasury to find a way to deal fairly with the taxpayers that is being used by the Treasury to reduce the national debt in 10 or 15 years, there could be found a way to deal equitably with the problem.

The people in my State pay an individual income tax of \$300,000,000, and they have a right to know what is going to be done with their money. That money, if it were returned to the taxpayers, could be used in the normal processes of business, in the building of houses and other things, if there were funds available through the various money-lending interests of the country.

I say, in my judgment—and in that I know I represent the feeling of my people—that the right way for Congress to deal with this matter of the surplus is to return it to the taxpayers.

#### CAPE COD CANAL

Mr. SWANSON. Mr. President, I have some resolutions adopted by the Virginia State Chamber of Commerce, at Richmond, together with a letter from the managing director of that body, and a resolution passed at the New England-Virginia conference at Fredericksburg, with an accompanying letter, pointing out the importance that would accrue to the coal and other interests of Virginia, who have shipments in trade with New England, if the Cape Cod Canal should be federalized as a Government canal. I ask that they may be printed in the Record at this point.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

VIRGINIA STATE CHAMBER OF COMMERCE,  
Richmond, December 8, 1926.

Hon. CLAUDE A. SWANSON,  
United States Senate, Washington, D. C.

DEAR SENATOR SWANSON: Coal from Hampton Roads with New England destination is discharged at Connecticut, Rhode Island, and Massachusetts sound ports, as well as at ports north of Cape Cod. One of the difficulties Virginia faces in increasing coal shipments from Hampton Roads into New England, through the Connecticut ports, is the shallow depth of some of them, where our seagoing coal barges are often unable to enter the harbors except at high tide. For this reason the port and coal-mining interests of Virginia are particularly interested in all undertakings for deepening and improving the New England harbors.

Norwich, Conn., located on the Thames River above New London, is potentially a good customer for coal from Hampton Roads, but at present the seagoing barges are unable to reach the city docks, and are unloaded several miles below the city at a high rehandling cost.

The Virginia State Chamber of Commerce has made a personal investigation of the situation at Norwich, and the board of directors at the meeting at Richmond on December 3 unanimously instructed me to bring this matter to your attention and ask you to support the appropriation bill that has passed the House of Representatives and which will come up for consideration in the Senate on December 14, containing an item of \$320,000 for deepening the Thames River Channel from Allyn's Point to Norwich, and authorizing an annual allowance of \$20,000 for maintenance of the channel.

We sincerely hope you will give this matter your careful consideration and support in the interest of increased coastwise tonnage for the Hampton Roads ports.

Very sincerely yours,

LEROY HODGES,  
Managing Director.

#### FEDERALIZATION OF THE CAPE COD CANAL

VIRGINIA STATE CHAMBER OF COMMERCE,

Richmond, November 24, 1924.

Resolved, That it is the sense of the Virginia State Chamber of Commerce that the federalization of the Cape Cod Canal, connecting Buzzards Bay and Cape Cod Bay, in Massachusetts, would help promote national commerce as well as the development of coastwise tonnage between the northern New England ports and Hampton Roads: Therefore be it further

Resolved, That the Virginia State Chamber of Commerce invite all local commercial organizations throughout Virginia to unite with the State chamber in requesting the Virginia Senators and Representatives in Congress to support legislation authorizing the United States to acquire, on an equitable basis, the Cape Cod Canal and to operate it in the interest of the public.

FREDERICKSBURG, VA., November 6, 1926.

Resolved, That it is the sense of the New England-Virginia conference that the federalization of the Cape Cod Canal, connecting Buzzards Bay and Cape Cod Bay, in Massachusetts, would promote national commerce by fostering the development of coastwise tonnage between the northern New England ports, Hampton Roads, and the other ports of the South.

VIRGINIA STATE CHAMBER OF COMMERCE,

Richmond, November 24, 1926.

Hon. CLAUDE A. SWANSON,

United States Senate, Washington, D. C.

DEAR SENATOR SWANSON: You will perhaps recall that in December, 1924, the Virginia State Chamber of Commerce wrote you requesting your support of the bill to federalize the Cape Cod Canal, in Massachusetts, in the interest of increased coastwise tonnage between Hampton Roads and the northern New England ports. We have been informed that an item providing for the purchase of the Cape Cod Canal by the Government is included in the pending rivers and harbors bill which will come before the Senate in December. We hope you will support this item.

I inclose herein a copy of the original resolutions passed by the Virginia State Chamber of Commerce at Richmond on November 24, 1924, and a copy of the resolution passed at the recent New England-Virginia conference at Fredericksburg, Va., on November 6, 1926.

I have attached to the Fredericksburg resolution, for your information, a list of the New Englanders and Virginians participating in the conference.

At the meeting of the New England Council held at Hartford last week, Virginia was accorded a most cordial and unusual reception. As the Virginia State Chamber of Commerce has been striving to bring about a closer social and business relationship between New England and the Old Dominion, it is our sincere hope that you will help us further strengthen these ties by supporting the project to federalize, improve, and operate the Cape Cod Canal as a toll-free waterway. This will have a very direct benefit to Virginia shippers trading with the northern New England ports.

With kind personal regards, I am, very cordially yours,

LEROY HODGES,  
Managing Director.

#### HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 303) to correct a misnomer contained in the act to fix the salaries of certain judges of the United States was read twice by its title and referred to the Committee on the Judiciary.

#### APPROPRIATIONS FOR THE TREASURY AND POST OFFICE DEPARTMENTS

Mr. WARREN. Mr. President, having in charge an appropriation bill carrying nearly \$900,000,000, I would be glad if we might have unanimous consent to proceed with its consideration.

The PRESIDING OFFICER. The Senator from Wyoming asks unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed with the con-



sideration of the Treasury and Post Office Departments appropriation bill. Is there objection?

Mr. WILLIS. If we can have some sort of an understanding that we are actually at work on the bill, I shall not object. I am anxious to proceed with the river and harbor bill, but I recognize the importance of the appropriation bill. I shall not resist the request of the Senator from Wyoming if it may be understood that we are actually going to work on the appropriation bill. If we are going to indulge in the sort of proceedings we have had this morning, not relevant to the bill at all, I shall feel inclined to object.

Mr. JONES of Washington. Mr. President, I suggest to the Senator from Ohio that the unfinished business can be called up at any time.

Mr. WILLIS. I understand, and it will be if we go to wandering from the measure before the Senate.

Mr. KING. I think it is fair to state that there may be some discussion of the general questions which have been suggested by the prolonged debate this morning. I would not want the Senator from Ohio or the Senator from Wyoming to be lulled into sweet security or insecurity by the silence of anybody and to understand that there will be no discussion of taxation or tariff or other questions of a governmental character.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14557) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1928, and for other purposes.

#### TAX REDUCTION

Mr. KING. Mr. President, in view of the discussion which has taken place concerning taxation and the policy which Congress should pursue during the present session, I desire to submit a few remarks. It is obvious that the Republican Party does not intend to enact any revenue legislation until it can obtain some great political advantage by so doing. Its course since the election of President Harding indicates that its principal concern is in perpetuating itself in power. It refused during the first session of Congress, following the election of President Harding, to enact a wise or rational revenue measure, and the law which was later passed appeared to have been drafted for the purpose of relieving the trusts and great aggregations of wealth of taxes which they should have continued to bear and to so adjust the provisions of the law as to continue burdens in a discriminating way upon the mass of the people.

There was no effort to enact a just and rational revenue law. I am reminded of the statement of Herbert Spencer that the postulate that men are rational beings continuously leads one to draw inferences which prove to be extremely wide of the mark. The Republican leaders were not only irrational—if rationalism means justice—but they led the majority of the voters of the United States into an acceptance of their unsound and unwise views.

The Senator from Mississippi [Mr. HARRISON] a few moments ago referred to the statement made by President Coolidge in his recent message, to the effect that Congress should deal with taxation in a "nonpartisan way." It is somewhat remarkable that the President should make this appeal in view of the fact that he and the Republican leaders have attempted to make political capital out of the revenue laws which have been enacted during the administrations of President Harding and President Coolidge. Arguments, subtle and insincere, were made by Republican leaders during the past two or three political campaigns, based upon the alleged achievements of the party in power in lowering taxes and reducing the national debt.

It is evident to the dullest student that the fiscal legislation since 1921 has been, first, as I have just stated, to relieve great wealth of burdens from which it should not have been freed, and, second, to so shape revenue measures and so arrange the times and dates of their enactment as to afford arguments, though fictitious and fallacious, that the Republican Party was giving efficient administration and enforcing economies in the administration of the affairs of the Government.

The Republicans deliberately blocked tax reduction in 1919 and in 1920. In the general elections in November, 1918, the Republicans triumphed, and when the special session of Congress convened in May, 1919, President Wilson, in a message of great clarity and of the highest statesmanship, pointed out the character of legislation which the needs of the country then demanded.

His message called attention to the fact that the war was over and that the status of peace demanded legislation that would remove the abnormal conditions created by the war and

aid the people and the country in speedily returning to normal conditions. Attention was directed to the revenue measures enacted during the war in order to raise billions annually for war purposes. President Wilson as well as all patriotic citizens saw that much of the legislation enacted during the war should be repealed. But the Republican Party, intoxicated by its victory and arrogant and unreasoning, refused to follow the wise recommendations of President Wilson and declared that it would enact no revenue legislation until it had control of the Executive department of the Government. Legislation was imperatively required to reduce taxes, but the Republican Party refused to discharge a plain and solemn duty which rested upon it.

Railroad legislation was required and laws were absolutely necessary if the billion spent to construct our merchant-marine fleet were not to be lost. Other vital legislation was needed to remove from the channels of trade and commerce the impediments which had been created by the war. But, as I have said, the Republican leaders, with a partisanship unparalleled and a cynicism never before exhibited, were deaf to the appeals of the country and were untouched by that noble spirit of patriotic devotion to country and to duty which the situation required.

If the recommendations of President Wilson had been followed our country would have quickly passed from the shadows of the war into the sunshine of peace. The hostility of the Republican Party, to wise and statesmanlike appeals, wrought incalculable harm to our country and brought disaster to our trade and commerce and bankruptcy to millions of American citizens. If a proper revenue measure had been enacted in 1919 several billion dollars of taxes would have been taken from the backs of the people. But the Republican leaders determined to reduce the taxes in an irregular, irrational, and purely partisan way, and in harmony with a policy which they believed would inure to the advantage of the Republican Party in the congressional and national elections that were to follow. They assumed, and their assumptions have been justified by the results, that if tax reductions were made just before elections and continued over as long a period as possible, the voters of the country could be hoodwinked and fooled into the belief that such reductions were made possible by economies and wise Republican policies.

Accordingly, as I have stated, tax reductions were gradual, but they were always in the interest of the rich and of the powerful corporations of our country. And they synchronized with the periods when political campaigns came around, and thus influenced the people to believe that the Republicans were practicing economy by giving to the country a wise and economic administration.

But the Republican Party in its tax measure, as well as in its measures for the raising of revenue, was tender—scrupulously tender—of the rich and the powerful. Those controlling the Republican Party relieved the corporations of excess-profits taxes, gently and lovingly cared for those individuals who enjoyed enormous incomes, and attempted to rivet upon the country measures which possessed all of the vices and pernicious qualities of the worst forms of indirect taxation. They believed with Bismarck when he stated that he was essentially—

Favorable to the raising of all possible revenue by indirect taxes  
\* \* \* indirect taxes, whatever may be said against them, theoretically are in fact less felt.

Bismarck further stated that—

While direct taxes for the most part fall entirely and immovably upon those liable, they can not transfer them to others; and indirect tax is primarily taken from the one liable; but he is able, so far as home products are concerned, to transfer the tax he has paid to the buyers of his goods.

By continuing their tax laws enacted during the war, for a considerable period after the war, and by refusing then and since to make adequate tax reductions, automatically there was brought into the Treasury of the United States large amounts in excess of the immediate needs of the Government. A portion of this excess revenue was applied to a reduction of the national debt, but a considerable portion was absorbed in unnecessary expenditures, and it whetted the appetites of many organizations, as well as various groups and individuals, and encouraged them to make raids upon the Treasury. The Republicans, as I have stated, have been bitterly partisan in most of the legislation which has been enacted since they have come into power. They have not desired nonpartisan legislation for the purpose of raising revenue; on the contrary, they have projected reactionary measures and adopted partisan, provincial, and often narrow and fanatical policies. Their



foreign policies have been as inept and as unwise and as harmful as their domestic policies. They found the world earnestly seeking for peace and desiring the fellowship and good will of the United States, and the United States at that time enjoyed the unrestricted love and friendship of all nations. But these narrow and unwise policies adopted by the Republicans have erected barriers against us and converted loyalty and affection into disesteem, if not hostility.

I repeat the Republican Party is entitled to no credit for the payments upon our national debt. I might add in passing that no inconsiderable part of this reduction resulted from the proceeds derived from the sale of personal and other property belonging to the United States, most of which was acquired during the war. Hundreds of millions of dollars and, indeed, considerable more than a billion dollars, as I now recall, derived from these sources, were applied by the Treasury Department to the reduction of our national indebtedness.

Mr. President, this is an important period in the life of our Nation and calls for as wise statesmanship as at any other period. Indeed, with the world in ferment our country needs the highest statesmanship and a sure and constant inspiration. I am reminded of the statement by Mr. Poultney Bigelow to the effect that no moment in the life of a nation is more important than any other.

Wars and famines, earthquakes and pestilences—these make convenient aids to memory and help to fasten the attention of uncritical readers. But if history is to serve humanity, its duty is to lay bare the causes of disaster and thus help the legislator to frame better laws for the future.

Our Republican friends have failed to appreciate the importance of the period following the war, and, indeed, of the present hour; and I submit that they have failed to properly serve humanity; and at the present time the party in power seems bankrupt of statesmanship and incompetent to deal rationally and wisely with the great problems, domestic and foreign, which are before us.

Manifestly the Republican Party has failed now to deal with the problems of finance and taxation which have always been inseparably bound up with the welfare of peoples.

Recurring to the tax bill passed at the last session of Congress, it has been demonstrated that the Republican leaders were either misled or were insincere when that measure was under consideration. They declared that no reduction could be made below the figure furnished by the Secretary of the Treasury. They grew frantic with apparent fear when it was suggested that a reduction should be made beyond the limits fixed by the administration and by Republican leaders. The Democrats insisted that there would be a surplus, and therefore that further reduction should be made in the bill then under consideration. I offered amendments to the measure when it was in the Senate which would have brought about a reduction of \$750,000,000. I insisted that the people could be relieved of taxes in the aggregate amounting to that stupendous sum.

But the President and the Secretary of the Treasury, Mr. Mellon, and Republican leaders in the House and in the Senate violently opposed the amendments which I offered and also declared that a deficit would result if reductions went below the limits fixed by them. I offered an amendment, which was adopted by the Senate, removing all taxes from automobiles and also relieving theaters and places of amusement from taxes on admission dues. Secretary Mellon, and, as I now recall, other leaders of the Republican Party, denounced these amendments and in conference they were eliminated from the bill.

I made the statement during the debate upon the tax bill that Congress would be derelict in its duty if it did not effect a reduction in taxes to the extent of at least \$750,000,000. The Republican leaders were as mistaken in their predictions as to the effect of the tax bill upon the revenues as they were in their predictions when the two preceding tax reduction bills were under consideration. It is now apparent that the reason why the Republicans were so opposed to proper reductions was because they were looking to the next presidential election and desired to fortify themselves for the contest by offering another tax reduction bill a short time before such election occurs.

It must be apparent to all that the influence of Secretary Mellon is paramount in the Republican Party. We all know of his recent political victory in Pennsylvania, where he obtained the leadership of the Republican organization in that State. There was a fierce contest waged in the recent primary election in Pennsylvania. Congressman VARE and others who had constituted a part of the Quay-Penrose machine sought to retain control of the organization, but they were defeated by Secretary Mellon, and he now is the dominating factor in Pennsylvania politics. Secretary Mellon has demonstrated that

he is not only a political power in his own State but that he is the dominating character in the national Republican organization. And why should he not be? He possesses enormous wealth. He is familiar with its power and influence. He is connected with great combinations of wealth and aggregations of capital, some of which are engaged in industrial as well as banking activities. He knows the effect of tariff legislation and the facility with which gigantic corporations can control the sources of production and the means of distribution. He, like other leaders of the Republican Party, entertains the view that if the rich are prosperous the country is in a satisfactory condition. Why should he not, therefore, with his experience, with his great ability, point the way which the Republican Party should go?

How would it be possible for Democrats, schooled in the principles of Thomas Jefferson and believing in equality and social justice, to sit down with those who believe in trusts and combinations in restraint of trade and giant monopolies which exploit the people, for the purpose of drawing a tax bill? The question of taxation is one of the most vital questions in any government. Kings have lost their heads in their efforts to secure tax laws which pressed unfairly and unjustly upon the masses of the people and which exhibited the greatest solicitude for the powerful and the rich.

There can be no nonpartisan tax bill where political parties are as wide apart, at least in theory, as are the Republican Party under the leadership of Mr. Mellon and his associates and the Democratic Party under the leadership of men who accept the principles of Thomas Jefferson.

There will always be contests, particularly in democracies, over the question of taxation. Oil and water will not mix. The selfish policies of organized greed and of merciless monopolies will not permit those who seek the public weal and the protection of the rights of all to compromise their position or to join in measures which will meet the wishes of those within the classes first referred to. If there is anything in democracy, it means equal and exact justice to all and the enjoyment of liberty to the fullest degree.

It may be said that democracy's mission is to promote justice and to bring into harmonious relations all classes and all conditions. The chief reward of those who are devoted to the ideals of democracy is increased capacity for service. The orthodox and reactionary Republicans in writing tax bills and tariff measures are guided by the philosophy that there are and should be privileged classes and that wealth should possess immunities not enjoyed by the struggling masses. In preparing revenue measures the representatives of reactionary republicanism would provide a sales tax and would seek to impose measures that would bear more heavily upon the poor than upon the rich.

In my opinion a nonpartisan tax bill would be more or less of a monstrosity. It would be filled with so many incongruities and inconsistencies as to be unsatisfactory to every part of the country. But we are to have no tax reduction at this session of Congress. The President has spoken and Mr. Mellon has also spoken. That is the final word.

Mr. McKELLAR. Mr. President.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. KING. I yield.

Mr. McKELLAR. The Senate will remember that until the last session of Congress, I believe, we had a limited law as to publicity of income-tax returns; but, on the recommendation of the Secretary of the Treasury, a joint committee of the Ways and Means Committee of the House and the Finance Committee of the Senate, of which the Senator is a member, was established to examine into the affairs of the Revenue Bureau especially, and make report to Congress. That provision was in lieu of the publicity provision that existed in the previous law. Can the Senator give us any information as to whether that joint committee has ever organized or has ever functioned or has ever made a report such as was contemplated that it would make when it was substituted for the other publicity provision?

Mr. KING. Mr. President, I do not think that the joint committee of which the Senator speaks was to take the place of the provision for publicity of tax returns. Speaking for myself, I was opposed to the repeal of the publicity provisions of the revenue law. The joint committee of which the Senator speaks was created for the purpose of doing what I conceived to be a necessary piece of work. I thought that they could make constructive suggestions to the Ways and Means Committee of the House and to the Finance Committee of the Senate that would aid those committees in preparing revenue



legislation. I believe that the committee can serve a useful purpose—

Mr. McKELLAR. Mr. President—

Mr. KING. I will yield in just a moment—and I express the hope that it will speedily function as designed by Congress.

Mr. President, there was considerable delay in the organization of the joint committee. We remember from the public press, as well as from what we heard here, that there was some controversy as to how the organization should be effected and whether the Senate members of the committee should furnish the chairman or whether the chairman should come from the House of Representatives. I am advised that the committee has been organized and that the chairman of the Ways and Means Committee of the House has been chosen as its chairman.

Congress adjourned soon after the passage of the measure, and it was expected by some that during the summer but little would be done by the committee other than to organize and select suitable experts and employees to carry on the necessary investigation work in the Treasury Department. While a member of the Finance Committee, I am not a member of the joint committee, as my colleague is. The Democratic members of the Committee selected by the Senate are Senators SIMMONS and JONES of New Mexico.

Mr. McKELLAR. Mr. President—

Mr. KING. I now yield to the Senator from Tennessee.

Mr. McKELLAR. As I understand, though nearly a year has passed since Congress directed that this committee operate, up to date nothing has been done, so far as the Senator is advised.

I see that the senior Senator from Utah [Mr. SMOOT] has entered the Chamber, and I should be glad if the junior Senator from that State would permit me to ask his colleague if he can tell us what that committee has done.

Mr. KING. I have no objection to my colleague answering the question. I do not assent to the statement that nothing had been done, and I would not want any remarks I have made to be construed as indicating a belief upon my part that nothing had been done.

Mr. McKELLAR. I should like to know what has been done.

Mr. KING. The organization of the committee has been effected, some experts and employees have been secured, and they are at work in the departments carrying out the instructions of the committee in harmony with the provisions of the bill.

Mr. SMOOT. Mr. President—

Mr. KING. I yield to my colleague.

Mr. SMOOT. I think the last statement made by my colleague is a correct one. The employees have been working in the departments. It is true that there have been only one or two meetings of the committee, because after the organization of the committee Congress adjourned.

The chairman of the committee has asked several times for a meeting since Congress has met. The Senator knows that the senior Senator from North Carolina [Mr. SIMMONS] is a member of the joint committee, and he has been quite ill. He has not been able to get out and attend the meetings; but I want to say to the Senator that while the chairman of the Ways and Means Committee, Mr. GREEN, the chairman of this joint committee, has on several occasions undertaken to hold a meeting, it has not been held for that reason. Right after the holidays, however, there is not any doubt but that the chairman intends to call a meeting, or during the holidays, if the members of the committee are all here; and they will receive a report of the work that has already been accomplished in the examination of the departments, and then direct what work shall be done from then on.

Mr. McKELLAR. Then the joint committee itself is not going to do the work, but it will simply have employed others to do it for the committee?

Mr. SMOOT. There is no doubt that there will be some hearings before the joint committee; but the preliminary work leading up to the meetings that have been held has been going on during the recess of the Congress.

Mr. McKELLAR. It has now been nearly 10 months, and I am glad to know that there is a prospect of the joint committee holding a meeting at some early date.

Mr. KING. Mr. President, I should not want to indulge in any criticism of the joint committee, although I have felt that it was rather slow in undertaking this responsible work. I felt that there ought to be revenue legislation this winter, and I hoped that the committee, because of the investigations which it was charged with making, would have some recommendations that would aid us in enacting legislation this winter for the purpose of reducing taxes.

Just a word further, Mr. President, in regard to tax legislation.

I believe that before we adjourn on the 4th of March we should enact a revenue bill; we should reduce the taxes upon certain incomes, those below fifty or sixty thousand dollars; and we should remove from the statute books all, or substantially all, excise taxes, and particularly those upon automobiles and upon amusements.

When the last tax bill was enacted the Senate expressed itself with no uncertain voice in regard to the removal of all taxes upon automobiles and all taxes upon admission dues. If the Republicans refuse to join with the Democrats in enacting a tax reduction bill, they should be condemned by the American people. The Democrats stand ready to offer a bill within the week reducing taxes by at least \$400,000,000 annually.

Mr. President, the Senator from New York [Mr. COPELAND] has just stated that he is in favor of the President's recommendation that a refund be made of a portion of the taxes levied for the current year. I do not find myself in agreement with him. It is true that more taxes were collected than were required to meet the expenses of the Government. And it is also true that the Government, notwithstanding its loud professions of economy, has expended hundreds of millions of dollars wastefully and improvidently, notwithstanding the fact that the people were told by the Republican leaders when the present tax law was under consideration that it would be unwise and indeed dangerous to effect further reductions.

I believe that it would not be wise to attempt to scale down and return a portion of the taxes due or collected. There are many reasons which impel me to this conclusion, but I shall not detain the Senate to state them. It may be true, as suggested by the Senator from New York, that the people were misled and false representations were made by the Republicans when they declared that the taxes to be collected under the law now upon the statute books would be imperatively required to meet the legitimate expenses of the Government; however, in my opinion the wisest course to pursue is to apply the surplus in the Treasury to the reduction of the national debt.

There is another reason, Mr. President, why we should enact legislation reducing taxes. The expenditures of the Government are greatly in excess of what prudence and justice would demand. I deny that this administration is economical. As a matter of fact, the President in his Budget messages has recommended considerably more than three hundred millions of dollars during the past three years in excess of what Congress has been willing to appropriate. And everyone knows that Congress can not be credited with having pursued an economical course. We have appropriated hundreds of millions of dollars annually since the war in excess of the legitimate demands of the Government. In my opinion hundreds of millions of dollars have been wasted by the Government. There have been thousands, if not tens of thousands, of unnecessary employees. Bureaus have been created calling for additional Federal employees and increased appropriations to meet their salaries.

If proper economies had been practiced, if the Government's business had been conducted as all business enterprises should be conducted, and if the Government had confined itself to its legitimate and constitutional functions, its expenditures would have been at least four or five hundred million dollars less each year.

Senators will remember that in 1916 the entire expenses of the Government were approximately \$1,000,000,000, but the President of the United States has now recommended substantially \$800,000,000 for the Army and Navy alone for the next fiscal year. It should be said, however, that this stupendous sum does not satisfy some of the imperialists and the militarists of our country. An extensive propaganda is being carried on to increase the Army and to greatly augment naval expenditures. Eight hundred millions of dollars in peace times for the Army and Navy of the United States is, in my opinion, entirely too much. I submit that in the Navy Department and in the War Department there should be drastic reforms. In each of these departments the expenditures are entirely disproportionate to the results obtained.

And the same may be said of other departments of the Government. The Budget Bureau is not measuring up to its full duty. It is overcome by executive departments and bludgeoned or seduced into supporting demanded appropriations entirely beyond the limits of prudence or propriety. We all know that the executive departments have demanded and are demanding millions more than should be appropriated, and representatives of these departments press with vehemence and pertinacity these demands before the Budget Bureau and the President of the United States.



The pressure which they bring unfortunately has been successful in many instances. The duty, therefore, is all the greater upon the legislative branch of the Government to scrutinize the recommendations of the President and the Budget Bureau and to reject many of the demands which are made for appropriations—demands which bear the stamp of approval of the President of the United States.

Mr. President, we were told several months ago by President Coolidge that the bottom had been reached in respect of governmental expenditures and that the future would show increased costs upon the part of the Federal Government. This will be unwelcome news to those who believe that the burdens of taxation are too great and that the expenses of the Federal Government are far beyond wise or prudent or necessary limits.

In my opinion there is a fertile field for the reduction of Federal expenditures. Instead of the cost of Government increasing they should decrease for a number of years. There were approximately 36,000 Federal employees in Washington in 1916. There are now over 60,000, and everywhere there is a demand for an increase in the personnel of the Government and the enlargement of the number of bureaus in all of the executive departments.

Paternalism raises its ugly head in all branches of the Government service, and wild and visionary socialistic schemes are projected by heads of departments and by Federal officials, and in various parts of the country the people, caught by the propaganda put out by the proponents of paternalism and socialism, join with feverish haste in all movements to change our form of government and transfer from the people and from the States authority and power which belong to them, and to them alone. Unfortunately, there are Democrats who are so indifferent to Democratic principles that they give adherence to these destructive plans. It is time that the Federal Government should be checked in its unconstitutional and improvident activities and be circumscribed within the limits fixed by the Constitution. Only by so doing can our Government be preserved and the rights of the people maintained.

#### TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14557) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1928, and for other purposes.

The first amendment of the Committee on Appropriations was, under the subhead "General Supply Committee," on page 8, line 5, before the word "and," to strike out "maintenance of motor trucks," so as to read:

Salaries: For personal services in the District of Columbia in accordance with the classification act of 1923 not exceeding \$110,000; necessary expenses, including office supplies and materials, maintenance of motor trucks, telegrams, telephone service, traveling expenses, office equipment, fuel, light, electric current, and other necessary expenses for carrying into effect the Executive order of December 3, 1918, regulating the transfer of office materials, supplies, and equipment in the District of Columbia falling into disuse because of the cessation of war activities; in all, \$115,000.

The amendment was agreed to.

The next amendment was, under the heading "Customs Service," on page 13, line 17, to increase the appropriation for collecting the revenue from customs, for the detection and prevention of frauds upon the customs revenue, etc., from "\$17,500,000" to "\$17,700,000."

Mr. KING. Mr. President, I desire to ask the chairman of the committee having the bill in charge if the expenditures for collecting the revenue are not very much greater this year than they were last year?

Mr. WARREN. The appropriations for collecting internal revenue are much smaller than they were last year.

Mr. KING. I notice here, "Customs Service, \$17,700,000." Then there are a large number of other appropriations on other pages; but there is \$33,600,000 for the Internal Revenue Service, and then on page 24 there is \$29,340,000 for the Coast Guard, which is aiding in the collection of revenue, and various other very large appropriations.

Mr. WARREN. I will say to the Senator that so far as the Coast Guard is concerned that is true. It is much larger, because there has been a great addition to the number of men serving under it, and vessels have been constructed, and others are under way; but, speaking of the Internal Revenue Service proper, outside of that particular line of its work, it is considerably less than it was last year. They are expending less, and will expend still less.

Mr. KING. Thirty-three million dollars plus for the Internal Revenue Bureau, in my judgment, is entirely too much;

and it seems to me that with the reductions that were promised, the amount carried in this bill is entirely too great.

Mr. WARREN. I hope the Senator will understand that the item to which he refers, the Coast Guard, is entirely for the branch of the service that is enforcing the prohibition law. The amounts that we have to appropriate for the enforcement of the prohibition law in one way or another, of course, aggregate a very large sum, and they mount higher every year. Each year since we started the amount has been larger. Not only that but I think there is no particular prospect of their being lower in the future, for a little while, at least.

As to the returns of income taxes and the expense of collecting them, of course the appropriations are becoming smaller. We are spending less money, and will expend still less.

Mr. KING. What I am trying to get at is this, Is that entire amount of \$29,000,000 due to the increase in the activities of the Coast Guard owing to the enforcement of the prohibition law? In other words, is not a portion of this \$29,000,000 due to the work of the Coast Guard in the ordinary activities which belonged to it before we had the prohibition law?

Mr. WARREN. The \$27,155,317 which they had last year is increased this year to \$29,600,000. Of course, the \$27,000,000 included so much of the activities of the Coast Guard as belonged in the Treasury Department.

Mr. KING. How much of the entire amount appropriated for the Coast Guard is attributable to the enforcement of the prohibition law?

Mr. WARREN. A large proportion so far as it concerns what is accounted for through the Treasury Department. We have had a Coast Guard always, and it has been growing, and it has operated along various lines. If the Senator will indicate the particular point he wants to make, I will try to answer it.

Mr. KING. What I want is to properly allocate to the Treasury Department any proportion of the amount used by the Coast Guard, and treat it as a necessary expense for the collection of revenue.

It may be safely said then that substantially \$30,000,000, which is carried by this bill for the Coast Guard, is attributable solely to the enforcement of the prohibition law?

Mr. WARREN. Yes. When this class of legislation was first adopted I predicted that the appropriations for the enforcement of the law would probably reach \$50,000,000 within five years. It is rapidly going forward toward that. I have been criticized greatly for that prediction. I think it will reach that, and perhaps surpass it. But already, I should say off-hand, we can trace it up to between forty and fifty million dollars.

Mr. KING. Of course, that does not include the large appropriations carried in the Department of Justice bill, necessitated in the enforcement of the law, for jurors' fees, witness fees, marshal's expenses, and the necessary enforcement agencies and offices provided for.

Mr. WARREN. That is answered in this way by many people, and properly answered, I think, "that quite a great portion of that expense comes back, not to the United States but largely to the various States and subdivisions of States, where the courts assess and collect fines," and so forth.

Mr. WADSWORTH. Mr. President, as I understand it, there is now pending before the Senate the amendment on page 13, line 17?

The PRESIDING OFFICER. That is correct.

Mr. WADSWORTH. I would like to say just a word on that amendment. This question of the compensation of the customs employees has caused a lot of discussion for the last four or five years. I do not intend at this time to trace the history of the discussions and the steps that have been taken to remedy a situation which certainly needs a remedy. Suffice it to say that this year the Budget recommended the appropriation under this heading of \$17,900,000, being an increase of \$400,000 over this same item in last year's bill.

Here is the situation as I understand it: We passed a reclassification law here in the Congress some years ago, and the reclassification with reference to civil-service employees in the District of Columbia has been established by a reclassification board. The field service, however, has never been legally classified. There seems to have been a hitch in those proceedings lasting at least two years.

Mr. REED of Missouri. Mr. President, will the Senator permit an interruption?

Mr. WADSWORTH. Certainly.

Mr. REED of Missouri. I want to ask if the item of \$29,940,000 was passed. I had arisen to address the Chair



on that, and I do not want it to be understood that it was passed.

The PRESIDING OFFICER. The amendment now before the Senate is that on page 13, line 17.

Mr. WARREN. I will say to the Senator from Missouri that the Senator from Utah was basing his remarks upon a little amendment here involving motor trucks, and the \$27,000,000 item in no wise was before us at the time, nor is it now.

Mr. REED of Missouri. I hope the Senator from New York will pardon me.

Mr. WADSWORTH. To resume, Mr. President, the employees in the field, as they are called—that is, those employed by the Government outside of the District of Columbia—have not been classified finally and with legal authority. There seems to have been a hitch in that proceeding now lasting at least two years, the reason for which I do not know.

The Customs Service has had an extraordinarily difficult time in connection with the compensation of its employees at the various ports of entry. I remember four years ago, I think it was, either my then colleague, Senator Calder, or I myself introduced an amendment to the Treasury appropriation bill authorizing the Secretary of the Treasury to increase the salaries of customs employees, and I think the amendment carried a lump sum of about a million dollars to be used for that purpose.

Mr. SMOOT. A million and a half.

Mr. WADSWORTH. The Senator from Utah reminds me that it was a million and a half. My recollection may be inaccurate.

It was conceded at the time that that amendment was a stop-gap; that it could not cure basically the situation which then existed, and that that situation was bound to persist if the Congress did not meet the question fairly.

Mr. SMOOT. That went out in conference.

Mr. WADSWORTH. The Senator from Utah reminds me further that that particular amendment went out in conference. In any event, I mention that amendment as indicating the period of time during which we have been trying to straighten out that situation.

More recently the Treasury Department, in the absence of a reclassification of the field service employees, after an investigation of its own troubles in the Customs Service, made what it termed an allocation of those employees into those positions where they had to do their work, and drew up a schedule of compensation which those employees should receive, in order that they might be rewarded actually for the work that they are required to do. That was a tentative allocation.

The Bureau of Efficiency also set itself to work on this problem, and they made a survey or investigation of the Customs Service with respect to the compensation and the duties performed by the employees, and, as I understand from the hearings, the Bureau of Efficiency proposed a certain series of allocations. It was conceded by both departments—the Treasury and the Bureau of Efficiency—that the men are most certainly entitled to an increase.

Then the Budget got busy and made its own investigations, quite recently, and as a result of the Budget's investigations an increase in this appropriation of \$400,000 was recommended by the Director of the Budget, with the approval of the President. For some reason or other the House of Representatives did not see fit to grant any of that increase. The Senate Committee on Appropriations has recommended an increase of \$200,000, instead of the \$400,000.

Mr. President, I have talked very many times with the collector of the port of New York, who reflects, of course, merely the conditions existing at that port. I understand, however, that the collectors of the other important ports around the country find themselves in a similar situation, and this is the situation, as I understand it: The failure of Congress to make appropriations to pay the men for the work that they are actually doing results, first, in a very rapid turnover among the employees, because the Government can give no assurance to an employee who enters the service at the bottom—at which place, of course, he has to enter—that he can get the increase which normally would come to him after serving a certain length of time. For example, a man who enters at the lowest grade, at something like \$1,500, as a clerk, would, in the normal course of events, receive an increase of \$100 a year after staying one year, and proving his services satisfactory.

The Customs Service has not been able to get that increase, nor has the Customs Service, when that man has had to go and do more important work, the work of grades higher than that in which he is graded, been able to pay him for the grade in which he is actually working.

The result is that the opportunities for promotion being denied, and the work imposed upon the men being increased as the result of the exigencies of the service itself, the right type of man is declining to go into the service. Congress has never yet met that situation squarely, as I view it. The customs employees to-day are not receiving pay on a parity with that of employees of the Federal Government here in the District of Columbia doing the same kind of work with respect to its responsibility and importance. The employees here in the District have all been reclassified, and they are drawing the pay of the grades in which they are working, with the increments which come to them as the result of length of service, and with the opportunities for promotion still before them. The customs employees are not enjoying that equal treatment.

The suggestion of the committee that \$200,000 be added may meet, and, of course, will meet some of the cases, but it will not meet all of the cases that deserve to be met, and which the Budget itself says should be met.

Mr. WARREN. Will the Senator yield for a question?

Mr. WADSWORTH. Certainly.

Mr. WARREN. I wish to say that the Senator is entirely correct in his statement as to the Budget recommendation. The matter was debated, and some consideration given to the suggestion that \$400,000 be appropriated, a sum which perhaps would be greater than we could possibly get the House to agree to. I want to say to the Senator that should we make it \$400,000, and should the Senate adopt that, possibly we might have to give up some portion of it in conference.

Mr. WADSWORTH. I appreciate the sympathetic attitude of the chairman of the committee. It was my purpose to offer an amendment to the committee amendment on line 17, so that it should read "\$17,900,000" instead of "\$17,700,000." I offer that as an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 13, line 17, under "Customs Service," strike out "\$17,700,000" and insert in lieu thereof "\$17,900,000."

Mr. SMOOT. Mr. President, I quite agree with most of the statements which have been made by the Senator from New York as affecting not only the Customs Service, but the field service generally. Last year there was appropriated for the Customs Service \$16,993,000. There was a deficit of \$505,055. In other words, the appropriation which was made last year of \$16,993,000 compelled a deficit on the part of the department of \$505,055. The House, in passing the bill, has taken care of that \$505,000, together with a little more, but did not take care of an estimate of \$400,000 for the Customs Service employees.

I have before me a complete list of all the Customs Service employees in every office in the United States, beginning with Alaska and winding up with New York, showing the number of employees, the salaries of employees, the minimum salary under the reclassification act as classified in the District of Columbia and showing the difference or loss to the employees of the Customs Service if they were paid on the basis of the payment to the employees in the District of Columbia. It would amount to approximately \$400,000. The matter was brought to the attention of the House, and the House refused to make the appropriation but did allow the deficiency amount as I have stated.

The \$200,000 will take care of all the employees whose salary is \$2,000 or less or approximately so, just as closely as I could figure it out. In other words, taking the office at Honolulu, for instance, the junior miscellaneous clerk has a present rate of \$1,500. Under the reclassification act he would receive \$1,860 or \$360 increase in pay. Everything below \$2,000, to bring this up to the reclassification as applied to the District of Columbia, will take approximately \$200,000 and the Appropriations Committee thought that they had a good case to that extent, that we would put in the \$200,000 and that we could support it here in such a way that we believe the House will accept it. That is the reason why the \$200,000 was reported.

I want to say to the Senator from New York that this condition applies to all other departments outside of the District, but not to such an extent as in the Customs Service. I was in full sympathy with the fight that was made two years ago to correct the basic salary before ever there was a reclassification, for I understood just exactly what was happening, particularly at the port of New York. The very best men of the Government, men who have come up from the very bottom, left the service and it was impossible to get men, as the Senator has stated, to enter the service because there seemed to be no future for them. But I believe now that if we accept the \$200,000 to take care of those employees under \$2,000 a year we can get the House to agree to it. It may be they



would agree to it if we put in the \$400,000; but my opinion is that the best way would be to take the \$200,000 and stand upon that position and fight for it and probably get it.

Mr. WADSWORTH. It seems to be conceded that the \$400,000 is the right thing to do if we are to correct all the inequities throughout the Customs Service.

Mr. SMOOT. That would only apply to the Customs Service. Then there would be other inequities.

Mr. WADSWORTH. Those we have to meet as they come along.

Mr. SMOOT. Yes, they have to be met. I have not any doubt but what the reclassification of the field service will be completed this year. When the next appropriation bill comes before us we will have the field service survey and an amount fixed under the reclassification. It may fall more severe upon the Customs Service than any other service.

When we appropriated for the reclassification of employees in the District of Columbia, the question then arose how we were going to take care of the field service and the employees around the Capitol and the clerks of Senators. This is the way it was arranged. Every salary in the field service in the United States of every employee was considered. We were paying a \$240 bonus. That bonus was added to every salary of the field force that was being paid under the law, and the \$240 bonus proposition was thus eliminated from the law. In addition to the \$240 that was added to every salary in the field service there was  $4\frac{1}{4}$  per cent added to the full amount. That was figured out by taking all of the salaries and adding to the total amount the \$240 given to each one; and then, to bring it up to the same amount that the employees of the District of Columbia were receiving, we had to bring it up by a lump-sum proposition, so we added  $4\frac{1}{4}$  per cent thereto. We thought that would put all of the employees in the field service on exactly the same basis as the employees of the District of Columbia; but the Customs Service, being less than any other service of the Government, had only the \$240 added together with the  $4\frac{1}{4}$  per cent, which did not equalize the salaries paid to other employees of the field service. I do feel that \$200,000 would cover all receiving \$2,000 and less. That was the policy and that is why we thought we could get it through.

Mr. WADSWORTH. I had hoped the committee would be willing to meet the whole situation and add a total of \$400,000 to the item. I hope the committee will not object to accepting my amendment to the amendment and putting the matter in conference.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New York to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. WARREN. There has come to my desk what I think is a very necessary amendment, a matter of language and not of money. I send the amendment to the desk. It simply provides that departments may make expenditures for stenographic reporting work out of the money which they have. This is made necessary by a ruling of the Comptroller General, and it does no harm. It ought to be adopted, I think.

Mr. BRUCE. Is the amendment the Senator is offering now the one in which I am interested?

Mr. WARREN. It is a committee amendment which I have just offered. It is not the amendment which the Senator has in mind.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 17, line 12, after the word "expenses," insert the words "including stenographic reporting services."

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 33, after line 12, to insert:

For a preliminary survey of the salt-marsh areas, to determine the exact character of the breeding places of the salt-marsh mosquitoes, in order that a definite idea may be formed as to the best methods of controlling the breeding of such mosquitoes, \$25,000, to be expended by the Public Health Service in cooperation with the Bureau of Entomology of the Department of Agriculture.

Mr. WARREN. I send to the desk an amendment that was agreed to in the committee as one that I should present on the floor for consideration. It may lead to some discussion, and I will ask that it may await further action on the bill and we may take it up as the closing feature to be considered.

Mr. BRUCE. I want to raise a point of order in relation to that amendment, if it is what I conceive it to be.

The PRESIDING OFFICER. Does the Chair understand the Senator from Maryland to refer to the amendment which was just read by the clerk?

Mr. BRUCE. No. I was referring to the amendment just sent to the desk by the Senator from Wyoming.

Mr. WARREN. I am not offering the amendment for consideration at this time, but send it to the desk so that it may be before the Senate in order that the Senator from Maryland may be here when we reach the latter end of the consideration of the bill, hoping that we may get through with the smaller matters first.

Mr. BRUCE. When does the Senator propose to take up that amendment?

Mr. WARREN. In just a little while. It may come within half an hour.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 33, after line 12.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The next amendment of the Committee on Appropriations was, under the subhead "Field Service, Post Office Department, Office of Postmaster General," on page 52, line 18, after the word "and," to strike out "520 inspectors, \$1,931,475; in all, \$1,998,975" and insert "530 inspectors, \$1,959,475; in all, \$2,026,975," so as to read:

Office of chief inspector: For salaries of 15 inspectors in charge of divisions, at \$4,500 each; and 530 inspectors, \$1,959,475; in all, \$2,026,975.

The amendment was agreed to.

The next amendment was, on page 53, line 6, to strike out "\$475,000" and insert "\$483,170," so as to make the paragraph read:

For traveling expenses of inspectors, inspectors in charge, the chief post-office inspector, and the assistant chief post-office inspector, and for the traveling expenses of four clerks performing stenographic and clerical assistance to post-office inspectors in the investigation of important fraud cases, and for tests, exhibits, documents, photographs, office and other necessary expenses incurred by post-office inspectors in connection with their official investigations, \$483,170.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the First Assistant Postmaster General," on page 54, at the end of line 6, to increase the appropriation for compensation to postmasters from \$51,500,000 to \$51,690,000.

The amendment was agreed to.

The next amendment was, on page 54, line 9, to increase the appropriation for compensation to assistant postmasters at first and second class post offices from \$7,150,000 to \$7,225,000.

The amendment was agreed to.

The next amendment was, on page 54, at the end of line 13, to strike out "\$172,000,000" and insert "\$172,800,000," so as to make the paragraph read:

For compensation to clerks and employees at first and second class post offices, including auxiliary clerk hire at summer and winter post offices, and printers, mechanics, and skilled laborers, \$172,800,000.

The amendment was agreed to.

The next amendment was, on page 54, at the end of line 15, to increase the appropriation for compensation of watchmen, messengers, laborers, and substitutes from \$8,000,000 to \$8,250,000.

The amendment was agreed to.

The next amendment was, on page 54, at the end of line 24, to increase the appropriation for rent, light, and fuel for first, second, and third class post offices from \$18,000,000, to \$18,100,000.

The amendment was agreed to.

The next amendment was, on page 55, line 8, to increase the appropriation for pay of letter carriers, City Delivery Service, from \$122,000,000 to \$122,460,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Second Assistant Postmaster General," on page 59, line 6, to increase the appropriation for transportation of foreign mails by steamship, aircraft, or otherwise, from \$7,667,040 to \$8,700,000.

The amendment was agreed to.

The next amendment was, on page 59, line 15, after the words "New York City," to strike out the following additional proviso:

Provided further, That no part of this appropriation shall be expended for payments on any contracts made under the authority of section 24 of the merchant marine act, 1920.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.



Mr. WARREN. I wish to say that there is a small matter which came to us this morning from the Postmaster General and which is very important, relating to something that had been overlooked. I send the amendments to the desk and ask that they may be stated.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 50, line 2, strike out "\$52,000," and insert in lieu thereof "\$54,000."

The PRESIDING OFFICER. Without objection the amendment is agreed to.

The LEGISLATIVE CLERK. On page 50, line 7, strike out "\$500," and insert in lieu thereof "\$800."

The PRESIDING OFFICER. Without objection the amendment is agreed to.

The LEGISLATIVE CLERK. On page 50, line 8, after the word "agent," insert the words "and of the solicitor and attorneys connected with his office."

The PRESIDING OFFICER. Without objection the amendment is agreed to.

The LEGISLATIVE CLERK. On line 6, page 50, after the word "department," insert the following:

and not exceeding \$2,000 may be expended for expenses, except membership fees, of attendance at meetings or conventions concerned with postal affairs, when incurred on written authority of the Postmaster General.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. WARREN. Mr. President, the amendment which I have sent to the Secretary's desk and now offer is designed to put back into the bill a provision which was in the bill as it was reported to the House, it having been recommended by the subcommittee to the full committee and by the full committee to the House, but on the floor it was eliminated by a point of order. The rules of the procedure of the House of Representatives are a little different from ours. While I believe that the amendment is not subject to a point of order under the Senate rules, the Senate committee, not perhaps unanimously, but by a majority, has requested that the amendment may be offered from the floor of the Senate by the chairman of the committee. In other words, the amendment proposes to put back into the bill that which was originally in the bill as reported to the House of Representatives, an appropriation of \$500,000 to be expended in a certain way. I presume the particulars will come out in the debate in the Senate.

The PRESIDING OFFICER. The amendment proposed by the Senator from Wyoming will be stated.

The LEGISLATIVE CLERK. On page 20, after the word "allotment," in line 5, it is proposed to insert the following additional proviso:

*Provided further, That not to exceed \$500,000 of the total amount appropriated shall be available for advances to be made by special disbursing agents when authorized by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury, the provisions of section 3648 of the Revised Statutes to the contrary notwithstanding.*

Mr. BRUCE. Mr. President, I rise to a point of order. The proposed amendment I contend is not germane to the pending appropriation bill. It is new legislation and, therefore, this body can not properly entertain it in connection with the bill. A ruling to that effect was made by the Speaker of the House of Representatives when a similar provision was offered in that body. I turn to page 246 of the CONGRESSIONAL RECORD of the present session, and I read therefrom as follows:

Mr. LAGUARDIA. Mr. Chairman, I desire to make a point of order.

The CHAIRMAN. What is the point of order of the gentleman from New York?

Mr. LAGUARDIA. I make a point of order on the language contained in page 20, lines 2 to 7—

"that not to exceed \$500,000 of the total amount appropriated shall be available for advances to be made by special disbursing agents when authorized by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury, the provisions of section 3648 of the Revised Statutes to the contrary notwithstanding."

Mr. MADDEN. Is the gentleman reserving the point of order?

Mr. LAGUARDIA. No; I am making it.

Mr. MADDEN. In order to save time, Mr. Chairman, I concede that the language is subject to a point of order.

In other words, the proposed amendment was so palpably irrelevant, was so manifestly out of order, that Mr. MADDEN did not even wish to hear any argument upon the subject. So, Mr. President, I repeat this proposed amendment is out of order.

I say nothing about the general character of the amendment. It is a proposition to place \$500,000—no less a sum than that—in the hands of special disbursing officers to be used secretly in procuring the services of snoopers, spies, and delators, who, ever since the beginning of organized society, have constituted one of the instruments of detestable forms of tyranny. No wonder that the committee did not offer the amendment as a committee amendment, but in the distractions of its councils have had it offered here on the floor, as it has been.

Mr. WARREN. Mr. President, I wish to say the committee did not believe the amendment was repugnant to the rule, but the subject matter of the amendment involved a question that is discussed every day and almost everywhere; it was the opinion of the committee that it would be discussed, and that it was better to put it before the Senate in the way in which it has been presented.

Mr. BRUCE. I understand that, but it is obvious that it did not receive, at any rate, the approval of the judgment of the able, wise, and experienced chairman of the Appropriations Committee. He knew that it was new legislation, if nobody else did; he knew that it was not germane to the bill, and therefore it was offered from the floor here.

Mr. WARREN. I will have to correct the Senator as to that, if he is referring to the chairman of the Senate committee, for I think the amendment is entirely in order.

Mr. MOSES. Mr. President, in my opinion the amendment is clearly in order. Upon what does the Senator from Maryland base the point of order?

Mr. BRUCE. I base the point of order on the fact that the amendment is wholly foreign to the general character of the pending measure.

The PRESIDING OFFICER. The Chair is ready to rule.

Mr. MOSES. The effect of the amendment, if agreed to, would be to increase an appropriation, and under our rule, it having been offered by direction of a committee, that may be done.

Mr. SMOOT. The amendment does not increase the total appropriation; the amount named in the amendment comes out of the total appropriation.

Mr. MOSES. Yes; but the effect of it is to increase the appropriation which may be expended.

Mr. BROUSSARD. Mr. President—

The PRESIDING OFFICER. To whom does the Senator from Maryland yield?

Mr. BRUCE. I yield to the Senator from Louisiana.

Mr. BROUSSARD. May I make a suggestion to the Senator from Maryland?

Mr. BRUCE. Certainly.

Mr. BROUSSARD. This amendment proposes to amend a Federal statute, and therefore it is legislation not properly on an appropriation bill.

Mr. BRUCE. I was going to take that up; I was going to call the attention of the Chair to the fact that the amendment seeks to operate a waiver of section 3648 of the Revised Statutes, or, in other words, a repeal pro tanto of that section. I do not know whether the Presiding Officer has taken in that point or not; and I desire to call it specifically to the attention of the Chair, and was intending to do so when the Senator from Louisiana made his timely suggestion. I was just about to contend that this proposed amendment is nothing less than an attempted revocation of a Federal statute. So on that ground, if on no other, it is obnoxious to our rule.

Mr. SMOOT. The Senator does not contend, does he, that under the rules of the Senate if a standing committee reports an amendment to a statute it is out of order?

Mr. BRUCE. No, I do not; but this is an appropriation measure and the amendment is entirely foreign, under our rules, to the scope of such a measure; it is, therefore, not relevant to the measure.

Mr. SMOOT. The committee had a perfect right to report it.

Mr. BRUCE. Nobody has pointed out any reason why this amendment, which was totally out of order in the House, is, nevertheless, in order in the Senate. So I make the point of order against it.

Mr. KING. Mr. President, will the Senator from Maryland yield to me?

Mr. BRUCE. Certainly.

Mr. KING. If I understand the question propounded by my colleague, then the reply made by the Senator from Maryland is not in harmony with my understanding of the rule and of the interpretation placed upon the rule by former Vice Presidents and others who have occupied the chair. My understanding is that we may not upon a general appropriation bill, or, for that matter, upon any appropriation bill, enact new

legislation under the guise of expanding the appropriation or limiting the appropriation. It is quite likely that if an appropriation is made in a general appropriation bill for a purpose which has been created by statute, then there may be some limitation of the use of the appropriation carried by the bill, but here the proposition is to repeal an existing statute.

Mr. SMOOT. Oh, no.

Mr. KING. To amend a law which now is upon the statute books, and to authorize in a general appropriation bill the use of a portion of the appropriation for purposes not heretofore authorized or at least at variance with the statute as it exists.

Mr. BRUCE. And for purposes which really do not constitute any expansion of any specific appropriation item in the bill.

Mr. KING. If there were no statute prohibiting this, or if there was no legislation limiting the duties of the officials charged with the enforcement of the law, possibly a different situation might be presented; but here it is sought, notwithstanding the provisions of an existing statute, to direct that this appropriation may be used for a purpose not heretofore authorized. If that is the situation, then obviously, as I interpret the rule, the amendment would be a violation of the rule.

Mr. SMOOT. Mr. President, this must be taken as a limitation of the appropriation asked for. A standing committee has reported it to the Senate, and I can not see why the amendment does not come properly within the rule. I am perfectly willing for the Chair to decide the question; but it seems so plain to me that I can hardly see how there can be any question about it.

Mr. BRUCE. With due deference to the Senator from Utah, I can not see why it should be so very plain. He reminds me of the old couplet—

He has keen optics, I ween,  
Who sees what is not to be seen.

Mr. WILLIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Ohio?

Mr. BRUCE. Yes; I yield to the Senator.

Mr. WILLIS. I desire to make an observation.

Mr. BRUCE. Very well; I have completed all I care to say about the matter.

Mr. WILLIS. Mr. President, I merely wish to make this observation upon the point of order: It seems to me it is a new theory of parliamentary procedure if we are not able to place a limitation in an appropriation bill. This item does not at all increase the amount of the appropriation; it simply provides how it shall be expended. It is merely a limitation and is purely within the rule.

Mr. BRUCE. And clearly involves the revocation of a statute.

Mr. REED of Missouri. Mr. President, if this is not new legislation, substantive legislation, then I am unable to understand the English language. It proposes to devote half a million dollars to a use which is illegal under the existing law; it creates a new legal right or duty; it gives a new authority to officers; it is entirely outside the scope of any former authority; it is not a limitation on the use of an appropriation, but a new grant of power. It is exactly of the same effect as it would be if it read—

SECTION 1. *Be it enacted*, That the Commissioner of Internal Revenue is hereby authorized to expend the funds of the United States for the purpose of making advances to special disbursing agents.

SEC. 2. There is hereby appropriated for the purpose of carrying out this act, \$500,000.

If this scheme is approved, then there is no reason in the world why we may not in the future in any appropriation bill start out by saying, "There is hereby appropriated a certain sum of money," and then follow it by a designation of the uses to which the money shall be put, and thus effectually break down the rule of procedure by the inactment of new and substantive legislation by way of amendments to appropriation bills. Besides, this provision is not reported by the committee as a committee amendment. The committee reports to us the bill which I hold in my hand. That document contains the committee's amendments which were regularly adopted. In a separate document, which is merely a formal report, the statement is made that—

The following amendment was approved by the committee, and the chairman of the subcommittee authorized to offer the same to the bill in the Senate.

That is to say, the committee reported the bill which I hold in my hand, and which contains the recommendations of the

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committee and the amendments of the committee. Then the committee, by a vote, said: "We do not offer a certain amendment, but we authorize the chairman of the committee on the floor of the Senate to offer an amendment." It is not a part of the text of the bill as reported by the committee.

Mr. OVERMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from North Carolina?

Mr. REED of Missouri. Yes.

Mr. OVERMAN. Why was this done? Because the amendment was obnoxious to the rule. The committee could not consider it because it was new legislation, and so considered it; and we authorized the chairman of the committee to offer it. Therefore I think it is obnoxious to the rule now.

Mr. REED of Missouri. Mr. President, I know how prone we are to try to accomplish our desires regardless of the rules of the Senate. Indeed, we have proceeded along that course so far that no man any longer puts much reliance in the rules. That is a lamentable situation. A legislative body having no respect for its own rules is entitled to the respect of nobody. A lawmaking body that can not respect its own laws is not entitled to much respect from the people who are required to obey the laws passed by that body. So I am appealing to the Members of the Senate to consider this question upon its real merits.

As stated here by the distinguished Senator from North Carolina [Mr. OVERMAN], whose long service in this body qualifies him to speak, the reason why the committee did not insert in the body of the bill, as reported by it, this particular amendment was because the committee recognized the fact that it was new legislation. No matter what its form, that is its substance. So the committee on motion authorized the eminent Senator, who is the chairman of the committee, to present the matter upon the floor. It comes, then, exactly the same as though the distinguished chairman of the committee himself had offered it on his own motion. The fact that four or five or a dozen members of the committee requested him to offer it does not make it the report of the committee.

Mr. WARREN. No, Mr. President; that is hardly correct. The amendment first came before the subcommittee. The subcommittee voted to lay it before the full committee. It came before the full committee, and therefore it comes here straight as a report of the committee, and ready for the action of the Senate.

I think the Senator has read the language here. I think he has it. If not, I will read it.

Mr. REED of Missouri. Yes; I have it.

Mr. WARREN. Shall I read it?

Mr. REED of Missouri. Very well.

Mr. WARREN (reading)—

The following amendment was approved by the committee, and the chairman of the subcommittee authorized to offer the same to the bill in the Senate.

Mr. REED of Missouri. Yes, Mr. President; but that is a very different thing from saying:

The following amendment is reported to the Senate by the committee.

What the committee reported to the Senate is in this document, which contains the bill of the House of Representatives with the amendments adopted in the committee. After that is done, the committee passes a resolution saying what? "We are in favor of another amendment, and we authorize the chairman to present it"; but it is not reported as the act of the committee. The language excludes it as an amendment. "The following amendment was approved by the committee, and the chairman authorized"—what? "To present it as the act of the committee and as a part of the committee's report"? Not at all. He is authorized to offer it upon the floor. He had the right to do that without any resolution by the committee; so that it is not even the report of a committee within the intentment of the rule.

But, Mr. President, whether we are prohibitionists or anti-prohibitionists, whether we are in favor of the spy system or against the spy system, whether we are in favor of taking the money of the taxpayers, using it in a secret fund and never reporting to anybody how or for what the money was expended, or whether we are against that kind of a policy, how can we escape the fact that the amendment proposes that the money appropriated be put to a use which is by the amendment for the first time authorized? That new authorization is coupled with the appropriation—

Mr. WARREN. Mr. President, I beg pardon—does the Senator say that it is the first time it has been authorized?



Mr. REED of Missouri. No; there have been similar acts, but this is an entirely new authorization; it is not covered by the similar acts referred to.

Mr. WARREN. I think \$250,000 was authorized in this exact manner.

Mr. REED of Missouri. Yes; there was a former law, but you are not bringing in this appropriation under that law. The authority for the use of this money is to be found in the language of your amendment. It is at once an authority necessary to be granted—or else there is no authority—and an appropriation. The language creating the authority is new legislation. When you say that it "shall be available for advances to be made by special disbursing agents when authorized by the commissioner," you say exactly the same as you would if you were to recite:

*Be it enacted, etc.,* That the Commissioner of Internal Revenue, upon the approval of the Secretary of the Treasury, is authorized to make advances to special agents for any purposes he may recite in any order he may hereafter issue.

And then, by a separate section, were to say:

and the sum of \$500,000 is hereby appropriated for the purpose of carrying out the provisions of this act.

Mr. BRUCE. And, Mr. President, when it says that it says something directly repugnant to the section of the Federal statutes mentioned in the amendment.

Section 3648 of the Federal statutes declares:

No advance of public money shall be made in any case whatever.

Of course, the primary object of the amendment is to get rid of the restrictions of that section. If this committee did not recognize that there was a distinction, and a valid and solid distinction, to be taken between amendments reported from a committee in the ordinary way and this amendment, reported in this special way, why should they have adopted one method of procedure with reference to one class of amendments and adopted an entirely different method of procedure with reference to this particular amendment?

Mr. SMOOT. That is a fair question.

Mr. BRUCE. On the very face of the amendment itself it is obvious—

Mr. EDWARDS. Mr. President, will the Senator yield just one minute for a question?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from New Jersey?

Mr. BRUCE. Yes.

Mr. EDWARDS. If this amendment goes through, could not this money be given to the Anti-Saloon League, Wayne B. Wheeler, or any other person in the world, without any accounting whatever for it?

Mr. BRUCE. Why, of course. That is the very object of it. Everything is to be under cover. The appointees are to be under cover. The amounts that they expend are to be under cover. That is the whole object of it.

Mr. REED of Missouri. The whole amount could be stolen if they wanted to steal it.

Mr. BRUCE. Why, certainly; and God knows that prohibition agents have stolen enough, and have yielded often enough to corruption, to create a highly reasonable belief that this money, too, in instance after instance, would be spent not lavishly, not recklessly merely, but corruptly.

None of us, I suppose, have forgotten the expenditures that were made by spies of this kind in the Mayflower Hotel. That was, as I said at the time, espionage de luxe. Secret agents of the Prohibition Unit went to the Mayflower, purchased champagne and what not, and organized parties under its roof for the purpose of obtaining evidence. Indeed, the dangerous tendency of such furtive uses of money by the Prohibition Unit was illustrated in the newspapers this very morning in a most striking manner.

They brought home to us Col. Ned M. Green, a prohibition administrator, a soldier such as General Andrews dearly craves for his work—indicted on trial for embezzling Government property, that is to say, for sampling bottle after bottle of confiscated liquor, for setting aside choice spirits and wines seized by the Government for his personal use and the delectation of his lively friends.

Assuming that the proposed amendment is valid legislation, its drift is demoralizing and depraving to the last degree. It is just another feature, of the monstrous tyranny that is gradually drawing the American people more and more closely within its constricting folds. Of course there is nothing new about such tyranny. Rome had delators, employed by the Roman emperors for their secret criminal purposes, and delator is simply a Latin word for our good old English word "spy." Indeed every system of vile tyranny that has ever existed since

the birth of civil society has had its retinue of snoopers, spies, informers, and delators.

There will be no liberty left in this land if the present system of prohibition oppression is allowed to run on to its extreme consequences. The thing to do is to stop it right here and now.

Its nature has recently been very vividly illustrated in Pennsylvania. Some months ago a number of good ladies in that State—I sometimes believe that more harm is done in the world by the sentimentalist than the scamp—who were members of the Woman's Christian Temperance Union of Pennsylvania actually undertook, when the Pennsylvania Legislature declined to make an appropriation for the enforcement of prohibition, to raise the sum of \$130,000 and to surround themselves with a big flying squadron of prosecuting attorneys, detectives, and spies; yes, as the Senator from Missouri [Mr. REED] so well says, attempted to name assistant State's attorneys. Well, when the Senator and his associates made their investigation in connection with that matter, the fact was brought out that a part of that sum of \$130,000 collected by those feminine crusaders for the enforcement of prohibition was spent in the purchase of spirits and wine.

No matter what prohibition touches, it contaminates it, and I ask the Senate now whether it proposes, at the suggestion of General Andrews, who contemplates nothing less than a system of complete military tyranny in this country, to give him the opportunity to appoint these undercover informers and spies.

If he had his way no civil agents at all would be employed by the Prohibition Unit. All would be soldiers. When he came to appoint the first 24 administrators, if he had had his will, every one of them would have been a soldier. Only in the last few weeks he went down to Texas and secured an administrator for Maryland and the District of Columbia who was a soldier, and went up to Massachusetts and secured another administrator who was a soldier, and now our people in the State of Maryland and the people in the District are to be dragooned into compliance with his plans, which so far have resulted in little but drum beating and swashbuckling. Over in the House a day or so ago Mr. BLANTON, of Texas, even suggested that the marines should be called in to enforce the national prohibition law.

I have never objected to any ordinary appropriation for the enforcement of prohibition. My colleagues in the Senate will bear me out when I say that. As long as the prohibition law is on the statute book, certainly until some extreme crisis arises in its history, I believe it to be my duty to unite in making the usual appropriations for its enforcement. But when some measure like this comes along, looking to the employment of a great army of sneaks and spies; or some measure like the Goff bill, which proposes to permit prohibition agents to invade the sanctity of the private home; or some measure like the bill of General Andrews, which provides that retired military officers may be prohibition administrators, I feel that the old Latin maxim obsta principiis—stop things in their very beginning—is directly in point.

Against such measures I, for one, propose to set my face like flint from the beginning to the end of this session.

Mr. WALSH of Massachusetts. Mr. President, this amendment, to my mind, does not involve the principle of law enforcement. I favor the appropriation of any amount of money that may be necessary to enforce this law as well as every other law.

This amendment, as I interpret it, under the pretense of law enforcement, opens the door to graft, corruption, and the establishment of the spy system in the administration of justice. In my opinion, it would also be a very dangerous precedent.

If this amendment were enacted into law, we would ultimately have in every appropriation bill sums of money proposed for appropriation to establish spy systems in every department of this Government. If we are going into this nefarious spy system business, we might well begin with a substantial appropriation to spy upon the big tax dodgers of this country or detect the debauchery of the ballot box through corrupt election expenditures.

Mr. President, I shall vote against the amendment, not because I am opposed to the appropriation of all necessary funds to enforce rigidly this prohibition law but because it would be a precedent that would come back to haunt us and would ultimately bring havoc to our system of free government.

The simplest mind of the youngest student of government knows that the beginning of corruption and graft in the misuse of public funds is when public funds are handled and expended secretly. The very first principle of free government is that every dollar paid into the Public Treasury shall be recorded



and public information given as to its source, and that every dollar paid out shall be publicly known by every citizen of the country.

I am surprised that anybody would have the hardihood to propose such an un-American principle or scheme as this. It ought to be unanimously defeated by this body if it is not rejected upon the point of order raised against it.

Mr. BROUSSARD. Mr. President, I am a member of the Committee on Appropriations, but I happened to be absent from the city yesterday when the committee took the action which has been discussed here to-day. As a member of that committee, my understanding of the rules is in line with that of the Senator from North Carolina [Mr. OVERMAN]. Whenever the committee finds that any amendment meets the requirements or the rules of the Senate, the committee acts, and that action is recorded in the report made on the bill itself. If there be any doubt at all as to the right of the committee to take action, the committee may, by agreement, permit any member of that committee, or some one else, to report the amendment on the floor, and the policy of the committee, so far as I understand it, is that those present tacitly agree that they themselves will not urge the point of order.

That is why these amendments are authorized sometimes to be proposed by the chairman, frequently to be proposed by a member of the committee, and at other times, when Senators have appeared before the committee, when the committee have felt that legally they could not take committee action, they have authorized the interested Senator to propose the amendment, and, so far as the committee was concerned, there was no point of order urged. Of course, anyone on the floor could not be estopped by any action of the committee, because his rights are clearly established under the rules of the Senate.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. BROUSSARD. I yield.

Mr. LENROOT. I think the Senator has very accurately stated the situation with one exception. The committee itself, as the Senator will, I am sure, agree, is more restricted than is a member upon the floor. The committee is prohibited from reporting any general or any new legislation. Legislation may be new and not be general. The committee may not report any new legislation. But the only restriction upon an amendment offered on the floor is that it must not be general. It might be new.

Mr. BROUSSARD. I propose to discuss that very briefly in a moment. I notice that the present Presiding Officer was not present at the time this question was stated. The objection urged by the Senator from Maryland is that this amendment is not in order because it seeks to enact legislation or to revise a statute. The statute sought to be revised I would like to read to the Chair. It is a Federal statute, section 3648 of the Revised Statutes, and is as follows:

No advance of public money shall be made in any case whatever. And in all cases of contracts for the performance of any service, or the delivery of articles of any description, for the use of the United States, payment shall not exceed the value of the service rendered, or of the articles delivered previously to such payment. It shall, however, be lawful, under the special direction of the President, to make such advances to the disbursing officers of the Government as may be necessary to the faithful and prompt discharge of their respective duties, and to the fulfillment of the public engagements. The President may also direct such advances as he may deem necessary and proper, to persons in the military and naval service employed on distant stations, where the discharge of the pay and emoluments, to which they may be entitled, can not be regularly effected.

It is proposed, under this amendment offered from the floor, to change the status by adopting the following amendment:

That not to exceed \$500,000 of the total amount appropriated shall be available for advances to be made by special disbursing agents when authorized by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury, the provisions of section 3648 of the Revised Statutes to the contrary notwithstanding.

It is very clear that the purpose of this amendment is to amend section 3648 of the Revised Statutes, which, it is contended, and I think very properly, the Senate may not do on an appropriation bill.

General Andrews appeared before the committee and distinctly stated that this half million dollars was to be expended through agents unknown to anyone—undercover men; that their expenses were not to be reviewed by anyone, so that if this amendment should be adopted, we would be completely setting aside section 3648, in so far as the prohibition department is concerned, a thing which may not be done under the rules of the Senate.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. BROUSSARD. I yield.

Mr. SMOOT. I am quite sure the Senator would not like to have that statement go into the RECORD, when I shall have called his attention to what General Andrews said. General Andrews stated that—

We can not break up these things like that by going around in the open, if they are doing this sort of thing. We have to get into the banks and make bank examinations; but that could be done without secret service. But getting the information as to who these men are, how they operate, when and where they operate, and then getting the evidence by which to take them into court, requires skill, careful work, undercover work.

Then he goes on and states that these accounts, before the Government pays a cent, must be audited by the Comptroller General. No check will be paid until it has been audited by the Comptroller General. That is the review, and the only review, under the law, I will admit, that would take place; and would be required under existing law. Before a dollar of that \$500,000 could be expended the Comptroller General would have to pass upon it.

Mr. REED of Missouri. He must accept it. If there has been an order by the Commissioner of Internal Revenue approved by the Secretary of the Treasury authorizing the expenditure, he must then approve it.

Mr. SMOOT. If it falls within the law. There is no doubt about that.

Mr. REED of Missouri. It follows that they could give a general order to him to appoint any number of secret agents he wanted to, pay their traveling expenses, and authorize them to buy liquor, to employ prostitutes, as has been done and repeatedly done, and when the accounts came in there would be nothing for the comptroller to do except approve them, because they came within the general law.

Mr. BROUSSARD. Let me answer the Senator from Utah. I read from page 15 of the hearings. The Senator from Utah stopped just at the place where it suited his convenience.

Mr. SMOOT. Oh, no.

Mr. BROUSSARD. I will take up the reading where the Senator from Utah left off:

We have to get into the banks and make bank examinations—

That is where the Senator stopped—

but that could be done without secret service. But getting the information as to who these men are, how they operate, when and where they operate, and then getting the evidence by which we can take them into court requires skillful, careful work, and undercover work.

Mr. SMOOT. That is where I stopped reading.

Mr. BROUSSARD. The amendment proposed distinctly leaves out the Comptroller of the Treasury. The only requirement is that the Commissioner of Internal Revenue shall obtain the consent of the Secretary of the Treasury as to who is to receive the money. As I take it—I think the Senator from Wyoming stated this a while ago—the money has been expended, but they do not care to have anybody know who gets the money. The purpose is merely to leave it to the Secretary of the Treasury and the commissioner to know who are employed. When the purpose of this is stated, it is clearly shown that it is a violation of the existing statute.

Mr. President, I wish to say something more along this line. Two or three years ago, when it was proposed to appropriate \$9,000,000 for the enforcement of prohibition, I then challenged those who claimed to control both Houses to make it \$100,000,000. I do not care how much money is expended in the enforcement of the prohibition law. I am now protesting against the expenditure of money by undercover agents, unknown to the people, where no accounts are furnished to the public, and where information is denied the officials having the duty of conducting the Government as to who are on the pay roll and how much they are receiving. It is for that purpose that I believe the point of order ought to be sustained.

As I said, I am not trying to restrict the amount to be expended, but I am trying to keep it within the law, because the action of the prohibition bureau should certainly conform to the law before they go out and charge other people with violating the Constitution.

Mr. BINGHAM. Mr. President, the point of order has been raised that the amendment offered by the Committee on Appropriations is out of order because it is new legislation. In Rule XVI we find that—

No amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill or to add a new item of appropriation \* \* \* unless the same be moved by direction of a standing or select committee of the Senate \* \* \*

The point has been made by the chairman of the committee that the amendment is in order because it has been moved by



direction of a standing committee of the Senate; but the rule refers apparently only to amendments increasing appropriations or adding new items. The amendment neither increases an appropriation nor adds a new item, and therefore, it seems to me, does not come under the first paragraph of Rule XVI.

Furthermore, if it did come under the first paragraph of Rule XVI, we should then find section 2 of Rule XVI applying, which states that:

All amendments to general appropriation bills moved by direction of a standing or select committee of the Senate, proposing to increase an appropriation already contained in the bill, or to add new items of appropriation, shall, at least one day before they are considered, be referred to the Committee on Appropriations.

It is obvious that this amendment was never referred to the Committee on Appropriations. It seems to me that this paragraph does not apply, because it is neither a new appropriation nor increasing one in the bill. On the contrary, it relates to one of those which is in the bill and changes the existing law. But in paragraph 2 of Rule XVI we find it explicitly stated that the Committee on Appropriations shall not report an appropriation containing amendments proposing new or general legislation, and if an appropriation bill is reported to the Senate containing amendments proposing new or general legislation, a point of order may be made against the bill, and if the point is sustained the bill shall be recommitted to the Committee on Appropriations.

It seems to me that the point of order should be sustained.

Mr. SMOOT. May I, for the purposes of the record, and to show why General Andrews asks this, read just what he stated? I think it is due him, at least, after what has been said here on the floor to-day.

Senator SMOOT. Why do you want to increase the amount from the \$250,000 provided last year?

General ANDREWS. We have practically exhausted that \$250,000 already this year.

Mr. Chairman, this represents an entirely new phase of law enforcement. It is aimed at the destruction of the liquor at its source. It is expended almost entirely in the suppression of smuggling. It is entirely different from anything that the Treasury Department had attempted until last year.

Heretofore these appropriations have run at \$50,000 a year, and were used for the purchase of evidence, and not nearly all used, because they did not do that kind of work. Last year I started this organization at headquarters of investigators with a view to trying to break up smuggling. We got the information through these investigations which I laid before the British authorities in London, and convinced them that their port officers and their shipmasters were not obeying their own laws; and we came to an agreement, just a working agreement, as to how we should exchange evidence and information, and see to it that there were no longer illegal shipping operations on the part of smugglers.

I do not want to brag; I do not want to predict something foolish; but hardly a day passes but that we are cutting out another ship, either through false registry or false declaration or false entry; and it looks to me as though within a few months, perhaps, the heretofore successful business of smuggling liquor into America will be wiped out. For example, not a ship has left Habana Harbor since August. Halifax is getting very quiet. From the Bahamas they are going over to St. Pierre and Miquelon, the French ports, and we are getting to that.

In this country there exist what we call rings. A ring is a group of men, generally wealthy Jews, who have gone ahead and organized the business of importing liquor. They have their foreign agents. They own their ships. They register them under the British flag, as a rule, because the British ports have been most available for the business of bringing this liquor into our coasts. They have their gunmen, because they have to protect themselves against the other organized ring, which is known as the hi-jacker. That is, he steals from the "legitimate" smuggler. He goes and captures his ship, and that sort of thing.

Mr. BRUCE. Did I understand the Senator to say "legitimate smuggling"? Is it as bad as that?

Mr. SMOOT. It is a quotation. I did not stop to say that the word "legitimate" is in quotation marks. I continue reading:

They have to have a secret service of their own. They have to know exactly where I am all the while, and other people, and what we are doing, what orders we give. They have to know what the Coast Guard are doing, and what orders they give. So it is an expensive organization, protected legally, so far as possible, by the advice of keen counsel.

We can not break up things like that by going around in the open and asking them if they are doing this sort of thing. We have to get into the banks and make bank examinations; but that could be done without secret service. But getting the information as to who these

men are, how they operate, when and where they operate, and then getting the evidence by which we can take them into court, requires skillful, careful work, and undercover work. There is no argument about it.

The CHAIRMAN. In other words, you want \$500,000 for the strategy of the business?

General ANDREWS. Of beating the organized business.

The CHAIRMAN. Yes; in other words, to carry out the enterprise in which we are engaged of knocking out the whisky business generally?

General ANDREWS. Yes, sir.

The CHAIRMAN. This is a business, like the Army and Navy, that requires some strategy, some maneuvering, etc.?

General ANDREWS. And some money.

The CHAIRMAN. That is the situation, is it not?

General ANDREWS. That is the situation as to the money, and the reason why the amount appears so big.

In addition to that work, the administrator working here within the United States in his own district has a problem like that; and that problem is going to increase. As smuggling disappears, and as the diversion of alcohol disappears as a source of supply for the bootleg industry, they organize their own illicit distilleries and get their supply in that way, and Congress and the country must face that fact. There was no objection to that in the committee.

Mr. REED of Missouri. Is not that a confession that the whole thing is a farce—that as they stop all liquor flowing in from the outside, that condition is met by an increased production inside?

Mr. SMOOT. It may increase, but that will be stopped too.

Mr. REED of Missouri. Why do they not stop it now?

Mr. SMOOT. That is the question. I do not think it will ever be stopped until we give them money enough to stop it. If I were opposed to the law I would give them all the money they ask for. In my opinion, whenever it is enforced, absolutely enforced, then if it is a bad law it will be repealed. The way to get rid of a bad law is to enforce it, in my opinion.

Mr. REED of Missouri. Let me say to the Senator that the evidence given before the subcommittee which was permitted to partially investigate this question was to the effect that just in proportion as they decrease smuggling they increase the production of the home-made liquor, and that it would take more than the Army of the United States—that is the fair inference—to stop the manufacture in the United States.

The district attorney of New York testified that they would need in the State of New York 87 additional Federal courts and an expenditure of \$75,000,000 annually in that one State alone.

The point I am making is this, aside from the point of order—and what the Senator is reading is, of course, aside from the point of order. We have discussed nearly everything but the point of order. The point I am making is that when a man tells us he has to have half a million dollars to expend in a secret service, in the employment of spies and sneaks and informers, in the purchase of liquor and of hiring of disreputables—because that is what it means—and that as soon as he does it and has succeeded, immediately there is more liquor made here from other sources, then it is perfectly patent that this money is a total and absolute waste, unless at the same time he brings in a proposition to remedy the other evil which is to spring up and take the place of the one that is to be suppressed.

Mr. SMOOT. I doubt whether the—

Mr. BRUCE. May I make just one short statement before the Senator proceeds?

Mr. SMOOT. Certainly.

Mr. BRUCE. Mr. President, if I may, I make a single statement. I should like also to remind the Senator from Missouri that General Andrews has stated that in no event has he any intention of endeavoring to put an end to the practice of home brewing for personal or family use.

Mr. REED of Missouri. Nor to stop home distilling.

Mr. BRUCE. Or to stop home distilling as well as home brewing.

Mr. SMOOT. Mr. President, all that the Senator from Missouri states may be true, but the quicker we find it out the better it will be.

Mr. REED of Missouri. But will it not be rather expensive?

Mr. SMOOT. That will be the only way that we shall ever find it out.

Mr. REED of Missouri. No.

Mr. SMOOT. I do not believe Congress will rescind its action respecting prohibition, but if it ever does it will occur after a successful enforcement of the law. That is the only way we shall ever get rid of prohibition, if it is to be gotten rid of at all.

Mr. REED of Missouri. Let me suggest that General Andrews testified that the manufacture of wines and beers would



make for temperance and for the enforcement of the law. If that be true, let us adopt such an amendment. Since we are going to amend the act generally, let us have a real remedy.

Mr. SMOOT. I am not discussing that question; but I think that the construction which the Senator from Missouri puts upon the testimony of General Andrews is entirely wrong. Now let me read his statement again:

In addition to that work—

That is, catching the rum runners—

the administrator working here within the United States, in his own district, has a problem like that; and that problem is going to increase.

What problem is going to increase? The problem of catching the violators of the law in his district. He does not say that smuggling is going to increase, though evidently it goes on; but the problem of catching the smuggler is certain to increase.

Mr. REED of Missouri. That is, conditions are going to be worse; so the problem increases.

Mr. SMOOT. It does not mean that. It means this, that there must be increase before it will be solved, and that this \$500,000 will help solve the rum-running problem. He also states that he thinks there must be an increase before the situation in the districts in the United States shall be solved.

Mr. BROUSSARD. Mr. President, will the Senator from Utah yield to me?

Mr. SMOOT. Yes.

Mr. BROUSSARD. Here is the problem General Andrews is talking about increasing:

As smuggling disappears, and as the diversion of alcohol disappears as a source of supply for the bootleg industry, they organize their own illicit distilleries and get their supply in that way.

That is the problem.

Mr. SMOOT. That does not mean that the sale of liquor is going to increase, but the problem of suppressing it is going to increase.

Mr. BROUSSARD. That is what the testimony states.

Mr. SMOOT. The testimony is that they will organize their own illicit distilleries. The testimony does not say anything about an increase. The illicit distilleries can be watched a great deal better than can the smuggler. There will be just as many who can manufacture liquor as it is possible to be and not be detected. There is no doubt about that. We are going to have illicit distilleries so long as the distillers feel that there is a chance of making a success of it. There is no doubt in my mind about that. I think that if prohibition is ever defeated, it will come about by the strict and impartial enforcement of the law.

Mr. REED of Missouri. Mr. President, will the Senator pardon me? He speaks about these illicit distilleries as though they were necessarily great enterprises.

Mr. SMOOT. No.

Mr. REED of Missouri. General Andrews himself brought in an ordinary copper wash boiler, such as can be found in any home where the family is still old-fashioned enough to do home washing. The capacity of that copper wash boiler was 40 gallons of high wines in 24 hours. From 40 gallons of high wines there can be made 80 gallons of whisky of 100 proof. Eighty gallons of whisky of 100 proof at \$20 per gallon will bring \$1,600.

General Andrews said that that was the production when they used sour mash, but that more whisky could be produced if corn sugar were employed as the raw material. Senators may talk about stopping a thing of that kind, but when General Andrews tells us that if he stops the smuggling the other industry, the one which is carried on in homes, springs up, and when he further tells us that he does not intend to invade the homes, it seems to me we have presented a problem, which, when it is all figured out, reduces practical prohibition almost to zero. Nevertheless we are asked to spend nine or ten million dollars every year to produce that zero result.

Now we are asked to turn over a half million dollars a year to one man to hire informers; for that is what the bill is intended to do; no report is to be made to the Congress. I do not care, sir, how bad you may paint the liquor business, how villainous a thing it may be or may be declared to be, it is not so bad a thing as a secret spy system. There is nothing so characteristic of a tyrannous government as a horde of spies. The spy system was the corroding thing that ate into the heart of the liberties of France. It was Fouché and those he employed that gave the blackest shade to the tyranny of the Bourbons and their successors. It is as obnoxious to human liberty as leprosy is to the healthy flesh of man; it is as destructive of republican institutions as is perjury to the ad-

ministration of justice; it is as damning a thing as has ever been fastened upon any people, free or slave.

A secret spy system! To begin with, sir—and I am begging the indulgence of the Chair, as I think we all ought to, for we long ago should have permitted the Vice President to have ruled, but having digressed thus far, let me go a step further—to begin with, no honest and decent man will accept the position of a spy, with one exception, and that is a spy in time of war, when patriotism is the impelling cause, when the spy knows that if he is captured he forfeits his life. Whenever a human being will peep through keyholes, pull aside the curtains of windows that he may spy upon his neighbor, aye, and a thousand times worse, deliberately plan and plot to gain the confidence of man or woman in order that he may breach that confidence to gain a little dirty money, he has become so vile a thing as to pollute the air he breathes and defile the earth on which he walks. When such men are at large no man is safe. They will commit perjury to make a record of convictions and thus gain promotions and larger wages. Such men hesitate at no infamy, balk at no villainy, pause at no cruelty. Their presence is a public menace. Their employment by any officer of this Government should be an impeachable offense.

Mr. BRUCE. Mr. President, may I interrupt the Senator for just a moment?

Mr. REED of Missouri. Yes.

Mr. BRUCE. Appropos of what the Senator is saying, a very striking illustration occurred in the State of Maryland. Not long ago a scamp in the employment of the Prohibition Unit, in the guise of honorable addresses to a young girl, obtained enough liquor at her home to enable him to have an indictment procured against her. Of course, Maryland became too hot for him, but I understand that he is still in the employment of the Prohibition Unit somewhere in Florida.

Then, in another case a prohibition agent was going along the road between Washington and Baltimore and he saw a man out under the shade—it was during the warm weather—with his family taking his lunch. They had a little beer; I think they were of German descent. The agent approached them and they hospitably tendered to him their bread and meat and a little beer, and off he goes to Baltimore to have them arrested and indicted.

Mr. REED of Missouri. Mr. President, the Senator from Maryland says that Maryland became too hot for the man who made love to a young lady and then got her to give him a drink of liquor in order to procure her indictment. Not only ought Maryland to be too hot for him but a self-respecting hell ought to reject him. [Laughter.]

These things do not belong in our civilization. More than that, this business that it is proposed to have the Government engage in invariably results in the promotion and procurement of crime, and so obnoxious is that to the law that when it is shown that the State itself has procured the commission of crime there can be no conviction. However, to that wholesome rule, grounded in Anglo-Saxon jurisprudence, there have been so many refinements and exceptions that all that it is necessary for the skilled perjurer to do is to shape his testimony artfully, and, although he has procured and induced the crime, the question still becomes one for a jury to pass upon.

That men have been convicted by the score and lodged in the penitentiaries who never would have violated the law except they were induced to do it by these wretches who want to make records of convictions, I have not the slightest doubt. I know of instances that convince me that procurement is a common practice.

Mr. President, there seems to be prevalent the thought that because prohibition has been put forward as a moral movement everything which an advocate of that cause may demand should be done. Better, sir, destroy every prohibition law than destroy the liberties of the American people! If a government can use millions of the taxpayers' money to create and pension an army of sneaks and spies to detect the wicked man who sells a glass of beer to another wicked man who wants to buy it, the same thing can be done in any other case. Once you establish the principle where will you stop? Once the spy system is admitted to be justifiable in case of the sale of a glass of milk it is certain to be extended until no citizen will be free from secret surveillance. And that surveillance will finally embrace the private and political activities of the citizen. And, sir, according to the principle of this bill more and still more money will be drawn from the Public Treasury and expended without any accounting to the Congress whatsoever.

Mr. President, what I am about to say now must not be taken as a reflection upon General Andrews. What I have seen of him has given me the impression that he is about as decent a man as could be gotten to take the job he holds; but, just as



certainly as the sun holds its place in the firmament, if we establish the custom of paying out moneys without an accounting, corruption will creep in, and graft, speculation, will become a common practice.

If, sir, Cabinet officers have to be tried—Cabinet officers occupying a position so exalted that a breath of suspicion never should touch their garments—what shall we expect if the intellectual and moral lazaron of the earth are hired to spy upon the people to gain their confidence only that they may betray it for the 30 pieces of silver secretly handed them by a Government officer.

It is time for a little old-fashioned Americanism to assert itself. It is time for the spirit of honor once more to raise its head in the Republic—the honor that forbids man to betray his fellow man.

Why, sir, evidence was given to the effect that prohibition agents had tried to induce college students to spy upon their roommates; yet the very soul of our great universities has hitherto been the high sense of honor, the spirit camaraderie there inculcated. You had better burn all books in all the libraries, destroy all the learning of the ages, than destroy the sense of honor that honorable men learn at their father's knee and gain from their mother's inspiration. Honor, shame-faced, flees in the presence of such an infamous legislative proposal as this thing we are now asked to accept.

Coming back to the point of order, at the end of this proposed amendment is the conclusive proof that it is new legislation, for if it is there conferred it runs counter to the existing statutes. I call the Vice President's attention to the last line. It reads:

the provisions of section 3648 of the Revised Statutes to the contrary notwithstanding.

That is to say, "We know this will violate that section; therefore, pro tanto, we change that law."

The last line answers the parliamentary question we are discussing. The point of order that this is new legislation must be sustained.

THE VICE PRESIDENT. In the determination of the question as to whether an amendment proposes new legislation, the test, it has seemed to me, is a very simple one. Does it propose to make lawful something which before was unlawful; or does it propose to make unlawful something which before was lawful?

This amendment itself provides, in the last section—

The provisions of section 3648 of the Revised Statutes to the contrary notwithstanding.

The amendment proposes to make lawful something which before was unlawful. It is clearly out of order, and the Chair so holds.

MR. BINGHAM. Mr. President, a point of order. Under the rule, the amendment having been ruled out of order, does it not send the bill back to the committee?

MR. WARREN. No; the amendment was not in the bill.

MR. SMOOT. I want to say to the Senator that the very reason why it was not put in the bill was that a question of order was raised in the committee, and we offered it here on the floor so that the bill would not be sent back to the committee.

MR. BRUCE. Mr. President, if the Senator from Wyoming is through with his amendments, I have offered an amendment to the bill, and I ask that it be stated.

THE VICE PRESIDENT. The amendment will be stated.

THE CHIEF CLERK. On page 25, line 7, the Senator from Maryland proposes to strike out "\$3,659,590" and to insert in lieu thereof "\$3,859,590."

MR. SMOOT. What page is that?

MR. BRUCE. That is on page 25, line 7.

I do not expect to make any lengthy exposition whatever of this amendment. Its effect is simply to add \$200,000 to the amount of the appropriation contained in that clause of the bill. The purpose of the increase is to equalize the pay received by women workers in the Bureau of Engraving and Printing with the pay received by women workers in the Government Printing Office; that is all.

As I am informed, the work done by women in these two different branches of the Government service is substantially the same. If anything, the work done by women in the Bureau of Engraving and Printing is a little more exacting than the work done by women in the Government Printing Office. This inequality is just one of those inequalities that are so frequently brought down as a sort of rudiment from the past in statutes. It arises, of course, out of the unhappy inequality of compensation that at one time existed to such a glaring extent as between women workers and men workers.

MR. WARREN. Mr. President, of course, the amendment is clearly out of line under our rules, because it has not been estimated for, it has not been presented to the committee in any form, and it does not have the indorsement of any committee. I fear that if it were put on the bill in that way it would be thrown out so quickly in conference that we would get very little satisfaction out of it.

I know what the Senator alludes to. I had a letter on this subject late this morning from a lady. That was the first I heard of it. It would be so clearly out of place in this bill that I think the Senator ought to allow it to be passed over now and either have it looked up for the deficiency bill which will follow or be taken care of in some other way. Now, however, I shall have to make the point of order against it. I have not made the point of order until now because I wanted to give the Senator an opportunity to make his remarks.

MR. BRUCE. Does the Senator see any objection to it in point of principle?

MR. WARREN. Not at all; but I must protect the bill on points of order, because otherwise a great many things would be opened up.

MR. BRUCE. The Senator does not see any objection to it in point of principle?

MR. SMOOT. Mr. President, I want to say to the Senator that every employee in the District of Columbia is classified. If there is this one case that the Senator speaks of in the Bureau of Engraving and Printing, it ought to be taken up with the Equalization Board; and if the Senator will let me know who the employee is, I will make a personal investigation of the matter.

MR. BRUCE. It is not one; it is all the women workers in the Bureau of Engraving and Printing.

MR. SMOOT. But if it were to apply to them, then the Classification Board has not treated one institution the same as the other. It could not be possible. This would be a direct change of the classification law of the District of Columbia. I should like the Senator to give me a copy of the amendment, just for my own information, and I will make an investigation of it.

MR. BRUCE. That is satisfactory to me.

MR. LENROOT. Mr. President, if the Senator will yield, I should like to ask the Senator from Utah a question. Do the salaries of a given department depend upon the money appropriated for that department? In other words, are salaries limited by appropriations?

MR. SMOOT. They are.

MR. LENROOT. I have been informed in this case that the only reason why these women do not receive the same salary that is received in the Government Printing Office is because of lack of appropriation to pay such salaries.

MR. SMOOT. That ought to go not longer than one year, because the classification in the District of Columbia is made, it is completed, and it is the duty of Congress to appropriate the money to pay the salaries as provided for in the reclassification act. That is why I asked the Senator to let me have the name, and I will take the matter up and see exactly what the situation is.

MR. WARREN. I make the point of order, not from any principle or on account of any opposition I have to this case—

MR. BRUCE. I withdraw the amendment.

MR. McKELLAR. Mr. President, I ask unanimous consent to return to the amendment on page 59, which I understand was adopted just a few moments ago, and I shall ask for its reconsideration.

MR. MOSES. Mr. President, what is the parliamentary status of the bill?

THE VICE PRESIDENT. It is still as in Committee of the Whole.

MR. McKELLAR. I wish first to return to that amendment. I ask unanimous consent to return to that amendment for a reconsideration of the vote by which the amendment was agreed to.

MR. WARREN. The bill has not been announced as being in the Senate as yet. It is still as in Committee of the Whole.

MR. McKELLAR. I know; but I am asking unanimous consent now that we return to that amendment on page 59, as I want a reconsideration of the vote by which the amendment was agreed to.

MR. MOSES. Even by interposing an objection at this stage, I can not prevent the Senator from taking up the subject matter when we get into the Senate with the bill.

MR. McKELLAR. I want to take it up now, before we get into the Senate.

Mr. MOSES. I understand that the Senator does. I can prevent that by refusing unanimous consent, which he is requesting.

Mr. McKELLAR. I hope the Senator will not do that.

Mr. MOSES. I am saying that, inasmuch as I can not prevent the consideration of the subject matter when the bill gets into the Senate, I shall not interpose an objection to the request which the Senator makes, but I shall combat the motion which I understand him to be about to make.

Mr. WARREN. I ask my friend from Tennessee, my colleague on the committee, if he will not permit the bill to come into the Senate, and to submit such motion there as he sees fit to make?

Mr. McKELLAR. Mr. President, I have been sitting here all day waiting for this amendment. Somebody must have been talking to me when the amendment was acted upon. It was by pure inadvertence on my part that I was not paying attention, and I now ask for a reconsideration of the vote by which the amendment was agreed to. I am sure that every member of the committee knows, for there could not be any possible doubt about every member knowing, that it was my purpose to oppose that amendment. I have said so all during the day, and I was sitting here waiting to discuss the amendment when it came up, and I hope that the chairman of the committee will not object.

Mr. MOSES. I knew, as an ex officio member of the committee, that the Senator from Tennessee had made known his intention to oppose the amendment. At the time the amendment was passed upon, however, the Senator was not in the Chamber, because I took special notice of that, and I supposed that the Senator had generously foregone his purpose and intended to let the amendment go through.

Mr. McKELLAR. The Senator is mistaken about it. It may have been that I was called out of the Chamber, but I have been here constantly all day waiting for this very amendment to come up.

The VICE PRESIDENT. The Senator can have the amendment voted on as a separate proposition when the bill gets into the Senate.

Mr. McKELLAR. I understand that, but I am asking now for unanimous consent to return to it.

Mr. WARREN. Mr. President, I am trying to help the Senator, without objecting to his request. I wish to give him all the time he wants. I do not care to have the bill go over, with all the items unsettled, when we could just as well settle all the other matters in the bill except this one. Therefore if the Senator will permit the bill to be reported to the Senate, I think the committee would be in a better position, and I think the Senator would be more pleased himself to have followed the regular practice, rather than to have us go back to it as in Committee of the Whole.

Mr. McKELLAR. Does the Senator object? I am asking unanimous consent.

The VICE PRESIDENT. Is there objection?

Mr. MOSES. Mr. President, since the chairman of the committee does not want to object, I shall have to do so, in view of what the chairman of the committee has said. The Senator from Tennessee will lose none of his rights.

Mr. McKELLAR. Does the Senator from New Hampshire object?

Mr. MOSES. I object.

Mr. McKELLAR. I move that we return to the item on page 59 of the bill, which reads as follows:

*Provided further,* That no part of this appropriation shall be expended for payments on any contracts made under the authority of section 24 of the merchant marine act, 1920.

I desire now to address the Senate on that motion.

In 1920 the Congress of the United States passed what was known as the merchant marine act. That act provides, among other things, as follows:

The board and the Postmaster General, in aid of the development of a merchant marine adequate to provide for the maintenance and expansion of the foreign or coastwise trade of the United States and of a satisfactory postal service in connection therewith, shall from time to time determine the just and reasonable rate of compensation to be paid for such service, and the Postmaster General is hereby authorized to enter into contracts within the limits of appropriations made therefor by Congress to pay for the carrying of such mails in such vessels at such rate.

In other words, the Postmaster General is authorized to make contracts with the American merchant ships to carry the mails. For many years there has been a rate of 80 cents a pound to American ships, when, as a matter of fact, foreign ships would carry the same mails at a rate of 26 cents a pound.

About two years ago the Postmaster General began making contracts with certain steamship lines that had bought certain vessels from the Shipping Board for an increase of pay that amounts to \$1,032,000 a year, and this appropriation involves the payment of subsidy to six steamship lines of \$1,032,000 a year.

I want to read at this point the testimony of the Postmaster General, who was very frank about the matter:

Senator McKELLAR. And how much did it amount to in the case of each line?

Mr. White, Superintendent of the Division of Foreign Mails, answered:

We can give you that; but the total difference between poundage rates for the fiscal year 1926, the year ending June 30 last, and the contract rate, was \$1,032,000 for the six routes.

Mr. President, the Congress has repeatedly gone on record as being opposed to a ship subsidy, and yet if this appropriation goes through we simply authorize the Postmaster General of the United States and the Shipping Board to grant subsidies to the lines to which ships have been sold.

The theory upon which that is done is that these lines agree to carry our mails. We have already paid for that in selling them the ships. I have sent for the contracts between the six companies at issue in this amendment and the Shipping Board, by which the Shipping Board sold those lines, and I am just going to use this first one as an illustration.

The Admiral-Oriental Line bought a number of ships at \$900,000 each. We virtually gave the ships to them. One of the considerations of the contract was this:

As a balance of the consideration for the sale of said vessel the buyer does hereby covenant and agree with the seller to maintain an adequate and regular service as a common carrier of passengers and cargo between the ports of Seattle, Wash., and Manila, P. I., calling each way at a port or ports in both Japan and China, and, at the option of the buyer, at the port of Portland, Oreg., for passenger service only, for a period of five consecutive years beginning with the date on which the buyer takes delivery of the vessels purchased by it hereunder, and shall for that purpose operate thereon said vessels documented under the laws of the United States, and the buyer agrees that the aforesaid service shall constitute a minimum of 17 round voyages.

Mr. President, the United States Government, in the price of these vessels to the purchaser, has already paid for a regular service between these ports, and yet, immediately after the contracts are made, we find the Postmaster General entering into contracts to give him a further subsidy amounting to nearly \$200,000 each. I read what it is. This is the evidence before the House committee:

The contract was made May 23, 1926. The contract rate was \$3 per statute mile. Amount due under the pound rates, \$243,208; under the contract rate, \$326,000.

The consideration for this is pointed out by the Postmaster General to be the regular carrying of this freight. It is the same consideration that is in the contract of sale. What we are doing is this: First, as a consideration for virtually giving these ships away we require that they shall conduct a service between certain ports, and then, as soon as it is done, the Postmaster General gives them a bounty or a subsidy of nearly \$200,000 each in addition.

They bought the ships for \$900,000 and immediately got a subsidy of nearly \$200,000 more from the Postmaster General, after Congress has time and again refused to grant such a subsidy.

I take it that the Postmaster General has no power to do this. He does it as and of himself. He does it under a provision of law which says that he may do it provided Congress appropriates the money, and here this appropriation comes in in this way.

It seems to me that these contracts not extending longer than the 1st of July, 1928, the Postmaster General should not be allowed to renew them in this case, that it is a plain subsidy, and the Postmaster General says that it is nothing in the world but a plain subsidy. Twenty-six cents is the rate for which the foreign shipowners are willing to carry these mails. We have already given them a rate of 80 cents as compared with the 26 cents, and now, under this contract, these shipowners are to get nearly \$2 a pound for transporting the mails of the United States.

Mr. WARREN. Mr. President, this is strictly under the law, and these contracts that are about expiring will have to come in hereafter with deficiencies. The Senator has expressed his displeasure, and before it comes up again for appropriation I think it can be considered more fully. But at this time I think



we should allow it to remain in the bill, and not think of denying this appropriation this one year.

Mr. McKELLAR. But this relates to the future. Appropriations for contracts already made for 1926 and 1927 have been provided for apparently. At all events, this is for the 1928 contract, and regardless of that the Postmaster General can only make these contracts under the law with the approval of the Congress. The House has already refused its approval. The provision in the bill which is stricken out by this amendment was put there by the House. The House has refused its approval of the action of the Postmaster General and I believe the Senate ought also to register its disapproval.

As I said, I do not know what Senators on this side of the Chamber are going to do, but Democrats heretofore have voted consistently against subsidies of this kind. Are they going to refuse to pass a general subsidy bill which applies to all alike and now allow the Postmaster General to make contracts with men and give them a subsidy of \$1,032,000, especially when they have already gotten a subsidy in the way of a price?

They have been given a price, which amounts to almost nothing but a nominal price, for keeping these very routes, and yet it is proposed to give them another subsidy for exactly the same consideration. It is not fair. It is not a just way of dealing with the matter. If Congress desires to establish a ship subsidy it ought to do it directly. It ought not to direct an officer of the Government to give such subsidies as he may think wise. Here we are paying \$2 a pound for every pound of mail that is carried on these ships. That is an enormous price. The Postmaster General himself, with that candor which always characterizes the present Postmaster General, is perfectly open and frank about it. He said that it is a subsidy, and I want to call the attention of the Senate for a moment or two to his testimony. I read:

Senator McKELLAR. If you do that for those lines, will you not be compelled to change your basis for all other lines in like fashion?

Postmaster General NEW. I do not know that that is going to be necessary.

Senator McKELLAR. It would not be fair to require some to carry the mails on the poundage rate, the old rate, and then give others more favorable contracts, would it?

Postmaster General NEW. I think it might be fair. I think it all depends on the conditions under which the line is operating.

Senator McKELLAR. Mr. Postmaster General, is not this really a subsidy to these particular lines?

Postmaster General NEW. I do not care what you call it. It may be that.

Senator McKELLAR. If it is a subsidy, and the Congress has already refused to grant subsidies, would it not be out of line with what Congress has done or refused to do?

Postmaster General NEW. Congress has not refused. Congress has specifically given the Postmaster General the authority to meet this situation. It gave it to him in the merchant marine act of 1920. It was passed when I was in the Senate. I remember the discussion on it perfectly well. I can not recall the vote on it, but it was passed by a very substantial majority of both Houses; and there is not any question on earth of the right of the Postmaster General under that law. That is just what the law was passed for—to meet exactly such an emergency as was presented to me in these cases.

Mr. PHIPPS. Mr. President, will the Senator yield?

Mr. McKELLAR. In a moment I will yield. I want to say that I doubt if there was a single Senator who thought, when the merchant marine act of 1920 was passed, that we were voting a general ship subsidy and giving the Postmaster General the right to grant it where he pleased. But when that law is examined, if it can be so construed, the fact still remains that it must be by appropriation. I want to read the exact language again so that Senators may have it.

Mr. PHIPPS. Will the Senator yield just at that point?

Mr. McKELLAR. I will yield in just a moment. I want to get this in the RECORD first:

The Postmaster General is authorized to enter into contracts within the limits of appropriations made therefor by Congress to pay for carrying such mails in such vessels at such rates.

No appropriations have been made. If the Postmaster General has entered into these contracts he has done so without authority of law. He testifies that it was submitted to the President, to members of the Cabinet, to the Shipping Board, and perhaps the Attorney General, and that they all approved its legality. I want to say, and I believe it will meet the approval of any lawyer in this body, that under that language the Postmaster General has no authority whatsoever to enter into a subsidy contract unless it is kept within the appropria-

tions made by Congress, and the Congress has not made those appropriations.

I now yield to the Senator from Colorado.

Mr. PHIPPS. I would like to call the Senator's attention to the statement made as to the rates that are paid under these contracts, which the Senator stated to be \$2 a pound. My understanding of the rate paid is \$3 a mile for the mileage traveled.

Mr. McKELLAR. Oh, no; that is the old rate.

Mr. PHIPPS. I think the Senator is mistaken.

Mr. McKELLAR. I will read the record on that point.

Mr. MOSES. Mr. President—

Mr. McKELLAR. I yield to the Senator from New Hampshire.

Mr. MOSES. I merely wish to ask the Senator if he thinks that the language of the appropriation act providing for the transportation of foreign mail is so restricted that the Postmaster General may not make contracts to carry the mails on ships which are of American registry and flying the American flag?

Mr. McKELLAR. He can not make the kind of a contract provided under the law except within the appropriations made by Congress.

Mr. MOSES. I do not understand that the Postmaster General has gone beyond the appropriations made by Congress; nor do I understand that the rates paid to those ships flying the American flag have been in any respect over the amount of money which was to be paid, and still is being paid for aught I know, to the *New York*, the *City of Paris*, and the *St. Louis*, the first ships of the American Line which were taken over under American registry and given a special consideration for the carrying of American mail.

Mr. McKELLAR. I am very glad the Senator from New Hampshire brought up that matter. Senators on the other side of the Chamber have been complaining here for years that the Shipping Board was losing money, that it ought to be abolished, and all the ships scrapped or sold or given away, because it was costing the Government a lot of money to operate them over and above what they earned.

Mr. MOSES. I want to be excluded from that company, because I have always believed in a ship subsidy.

Mr. McKELLAR. I am very glad to hear it, but the Senator does not favor a governmental ship subsidy. The Senator believes in a ship subsidy for private owners. When the Shipping Board was conducting these very same vessels, did we find any recommendation from the Postmaster General or from anyone else in favor of increasing their compensation for carrying these very mails? They had these very rates; they carried the mails at \$3 per statute mile, at less than one-half, or probably not more than one-third, of what was recommended to be given and actually was given immediately after they went into the hands of the Dollar interests, for instance. I use that as an illustration.

Mr. Dollar bought for almost nothing the ships which he is operating on these lines, and one of the considerations was that he would maintain a service between these very ports; and yet as soon as he got the vessels, when the ink was hardly dry on his contract, the Postmaster General entered into another contract with him to give him a subsidy which, with five other subsidies given at much the same time, amounts to \$1,032,000 a year. If the Postmaster General can give subsidies amounting to \$1,032,000 to those who purchase ships, why can he not make it \$100,000,000 if he wants to do so?

I do not believe in ship subsidies, but I want to say that if it was the only way we could keep a merchant marine I would be willing to have a subsidy. I believe, however, that the merchant marine ought to be kept by the American people. It has been built out of the money of the American people. I do not believe that the Shipping Board ought to give it away. I do not believe they ought to fool it away. I do not believe that the Shipping Board ought to manage the vessels as they do now, as they say, at a loss—and, perhaps, others as well—and then turn over a part of them to private interests for nothing, and then immediately have the administration give those private interests a subsidy.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. COPELAND. I assume that the Senator helped to write the existing law which relates to the present Shipping Board.

Mr. McKELLAR. I had very little to do with it.

Mr. COPELAND. The law provides that the ships shall be sold.

Mr. McKELLAR. So it does.

Mr. COPELAND. That is the first object of the law.

Mr. McKELLAR. Oh, no. It has great limitations. By the way, I stop long enough in that connection to make a reference to one of those limitations. We have been talking about the board having the right to sell these lines. They have been trying to sell them for a number of months and perhaps for a number of years, but there are very great limitations on the way in which the board may sell. I think their attempt to sell the trans-Atlantic line known as the United States Lines is absolutely contrary to and in violation of the present law on that subject. If I can find it I will read it to the Senate.

Mr. COPELAND. I am familiar with it.

Mr. McKELLAR. I hope the Senator is, but the Shipping Board are not familiar with it. Two members of the board seemed to be unfamiliar with it when they came to Memphis not long ago. It prohibits the Shipping Board from selling any line except it be one operating on a nonpaying basis.

Mr. MOSES. The Senator is needlessly worrying, because there is a very able committee of the Senate discussing that matter right now. One of the members of the committee stands at my immediate right, and I can assure the Senator from Tennessee in behalf of the Senator from Michigan [Mr. COUZENS] that no law will be violated and no advantage will be taken of the Government so long as he is on the job.

Mr. McKELLAR. I am glad to have that assurance, but I recall very distinctly that when I appeared before the Shipping Board in Memphis I was assured that the United States Lines and the other two lines which were then in controversy were not going to be sold. I was astounded the other day when the senior Senator from California [Mr. JOHNSON] rose in his place and offered a resolution prohibiting them from selling those vessels and stating that they were to be sold and that if we did not get the sale stopped before Monday they would be sold then. The resolution was unanimously agreed to. I do not know whether they are going to be sold or not. I do not know what they are undertaking to do with our merchant marine. I do not think they ought to be sold. I do not think we ought to sell them and then immediately give private interests that buy the vessels, either individuals or corporations, a subsidy such as we provide for in the pending appropriation bill. We ought not to appropriate the people's money under such circumstances. They are already paid and they accepted the price as a part of the consideration for running the ships, and now they want a subsidy in addition.

Mr. COPELAND. Mr. President—

Mr. McKELLAR. I yield to the Senator from New York.

Mr. COPELAND. I think, perhaps, I am in harmony with the thought the Senator has, but I am convinced that this law must be amended if his thought is carried out. If the English language conveys any thought, the purpose of the act is that those ships must be sold, and it is the duty of the board to dispose of them at the earliest possible moment provided some decent compensation can be gotten for them.

Mr. McKELLAR. Oh, Mr. President, the Senator from New York should look at the act. Just let me read him the act which gives the right to sell, with this proviso:

That where steamship lines and regular service has been established and are being maintained by ships of the board at the time of the enactment of this act, such lines and service shall be maintained by the board, until, in the opinion of the board, the maintenance thereof is unbusinesslike and against the public interests.

I am glad the Senator asked for the law so that he may read it. I will give him the illustration of the United States Lines. Its operation has not been declared unbusinesslike by the board.

Mr. MOSES. Mr. President, I wish we could sell these ships to-morrow, if we could pass the bill to-night.

Mr. McKELLAR. I understand the Senator does. I understand he would be willing to give them away to-morrow.

Mr. MOSES. No. I say let us pass this bill to-day and sell the ships to-morrow.

Mr. McKELLAR. If the Senator would have the amendment withdrawn the bill could be easily passed. The board have to come to the conclusion that their management, control, and operation of this line is unbusinesslike and against the public interest before they have a right to sell it. Under the terms of the act there is an inhibition against their selling it unless their management is unbusinesslike and against the public interest. Many of the ships are running to Europe and to South America, those services having been maintained for a number of years, holding down freight rates; and who can say that they have been operating in an unbusinesslike manner and against the public interest?

While these lines have not been operated in the way I think perhaps was the best way for them to be operated, I have no

doubt but that they have been operated greatly to the public interest. I think the public has been greatly benefited by their operation, perhaps a hundredfold more than the appropriations which it has been necessary to make in order to keep them in operation. I think they ought to be kept in operation. The great purpose of an American merchant marine is to carry our wares, wherever we wish, to all parts of the world.

Mr. MOSES. And to carry our mails also.

Mr. McKELLAR. And to carry our mails also.

Mr. HEFLIN. Mr. President—

Mr. McKELLAR. I will yield to the Senator from Alabama next, because he has asked me to do so.

Mr. HEFLIN. Mr. President, in line with what the Senator from Tennessee has been saying, I desire to suggest that the chairman of the Shipping Board made a speech about a week or 10 days ago in which he stated that if they could find buyers for these ships the price would not cut any figure. He said, "Send us the name of a buyer and we will camp on his doorstep, and the price will cut no figure." Think of an officer representing the Government of the United States and selling Government property announcing in advance that he does not expect to demand a reasonable price; that just so the buyers offer anything they can get this fleet of ships, simply saying to those who might want to buy that "any old price" they offer will do. Just think of that!

Mr. COPELAND. Mr. President—

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from New York?

Mr. McKELLAR. I yield.

Mr. COPELAND. Mr. President, as I stated, I believe I am in harmony with the view of the Senator from Tennessee, but if his plan is to be carried out the law must be changed. Section 5 of the law states:

That in order to accomplish the declared purposes of this act, and to carry out the policy declared in section 1 hereof, the board is authorized and directed to sell, as soon as practicable, consistent with good business methods and the objects and purposes to be attained by this act—

And so forth.

Mr. McKELLAR. Mr. President, of course I want to say to my distinguished friend from New York, whom I admire very greatly, that if he had studied law instead of medicine he would probably have made a wise selection of a profession, and that he would understand exactly what that language means. That does not refer to the going lines. It refers to the ships of the merchant marine that were not included in the going lines now being operated. The lines that are now being operated are the lines which are in question here, and the law makes specific provision as to them.

Mr. COPELAND. Is it true of all laws that they do not mean what they say?

Mr. McKELLAR. Not at all; but here is a law that gives a general power, and it contains a number of provisos, as there are provisos in many laws. In this instance the proviso is so plain that a wayfaring man who never looked into a law book ought to be able to understand it. The proviso reads:

*Provided further—*

That is the proviso; it is a limitation on the general powers, I will say to my friend Doctor COPELAND—

*Provided further,* That where steamship lines and regular service have been established and are being maintained by ships of the board at the time of the enactment of this act—

And all those qualifications pertain here—

such lines and service shall be maintained by the board until, in the opinion of the board, the maintenance thereof is unbusinesslike and against the public interests.

That is just as clear an exception as I ever read; there can not be any doubt about it.

Mr. JONES of Washington. Mr. President—

Mr. McKELLAR. I yield to the Senator from Washington.

Mr. JONES of Washington. I did not want to let the statement of the Senator from New York [Mr. COPELAND] go unchallenged.

Mr. McKELLAR. No; I know that; but it was made in perfect good faith. The Senator from New York, however, is not a lawyer, of course, as we all know.

Mr. JONES of Washington. The Senator from Tennessee knows my position in regard to the matter, and I think he will agree with me that the power and the directions to sell are subordinated to the upbuilding of the American merchant marine.

Mr. McKELLAR. Of course.



Mr. JONES of Washington. The board is not directed to sell just because it can get this price or that.

Mr. McKELLAR. Of course not.

Mr. JONES of Washington. But the price is subordinated to the building up of a merchant marine.

Mr. McKELLAR. That is entirely true.

Mr. COPELAND. Will the Senator yield?

Mr. McKELLAR. I yield to the Senator from New York.

Mr. COPELAND. Mr. President, this matter was up last year in the sale of the Oriental Line and was passed on by the court in this District, and the court upheld the right and duty of the board to sell. Senators may take all the comfort they like in the law, but that is exactly what happened.

Mr. JONES of Washington. The court has held nothing of the kind.

Mr. McKELLAR. But outside of that, this is an entirely different matter. If the court had upheld it—and the Senator from Washington, who is an expert on this question, says it has not—that is an entirely different thing from the granting of a subsidy such as we are now going to give this very line. Let me show what sort of a subsidy is being given to the Oriental Line. The ships were sold for \$150,000—I believe that was the amount—and here is the subsidy that we give them: They received under the pound rate—and that is the rate that the Shipping Board had to accept—for carrying the mails, \$16,100, while under the Postmaster General's subsidy they get \$60,000, which is more than three times as much.

As to the Dollar Line, when the Shipping Board operated the vessels, the ships received \$64,025. Mr. Dollar bought them, and the moment Mr. Dollar bought them contracts were made by which they received \$406,000.

That is more than three times the amount for which foreign ships would carry the same mail. Yet, as soon as the Dollar Line obtained the ships, the payment was increased from \$64,000 to \$406,000. That is the kind of subsidy that we have created indirectly.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. NEELY. Who increased this compensation in the manner in which the Senator has just described?

Mr. McKELLAR. The Postmaster General did that. I wish to read what he says about it. I want to show how it was done.

Mr. NEELY. And who was the beneficiary of that last increase, Mr. Dollar?

Mr. McKELLAR. Mr. Dollar was the beneficiary.

Mr. NEELY. He seems to have been almost as good a business man as Doheny.

Mr. McKELLAR. It does look as though he were a pretty fair business man. He bought the boats for practically nothing under a contract by which they were to follow the same routes—that was one of the considerations—and then was paid an increased compensation from \$64,000 to \$406,000 for performing exactly the same service.

Mr. COUZENS and Mr. COPELAND addressed the Chair.

Mr. McKELLAR. I yield first to the Senator from Michigan, who has once or twice asked me to yield.

Mr. COUZENS. I should like to ask when did the original contract with the Dollar Line expire?

Mr. McKELLAR. I will give the Senator the facts as to the Dollar Line. The effective date was July 1; it ends June 30, 1927, which will be next June.

Mr. COUZENS. When did the contract that was in existence with the same line before that contract end?

Mr. McKELLAR. The present contract was made July 1, 1926, evidently just a year ago.

Mr. COUZENS. I refer to the former contract.

Mr. McKELLAR. I am giving Mr. Glover's testimony, which is found on page 194 of the hearings before the subcommittee in the House.

Mr. COUZENS. The Senator complains that when the Government operated the ships they got a much less return.

Mr. McKELLAR. Yes.

Mr. COUZENS. When did the contract end on which that compensation was based?

Mr. McKELLAR. On July 1, 1926.

Mr. COUZENS. After the Dollar Co. had bought the line?

Mr. McKELLAR. Yes; after the Dollar Co. had bought the line. As soon as the Dollar Co. bought the line the contract was changed and an increased amount was given.

Mr. COUZENS. The Senator is not responding to my question. He said the contract was changed. I asked if the contract had expired. I did not ask if they had changed the contract, because I do not think that that is true. I think the

contract which they had with the Shipping Board expired and they entered into a new contract.

Mr. McKELLAR. The Postmaster General says that it was not a contract, but under a rule fixed by the department in accordance with the law they gave \$3 a statute mile for the service, and that \$3 a statute mile was discontinued on July 1, 1926, and was changed to a contract rate. Under the \$3 per statute mile rate the ships, when they were owned by the Shipping Board, received \$64,025 a year, but as soon as the boats got into the hands of the Dollar Line a new contract was made and the Dollar Co. was paid \$406,416 a year.

Mr. President, I now read what the Postmaster General had to say about it. He gives a perfectly frank statement, and there can not be any doubt about this being a plain subsidy going to these ships.

Here is what he says as to the manner in which it was done, and I want to put it in the RECORD:

Last spring, I think—

says the Postmaster General—

I do not undertake to fix dates with absolute accuracy—some months ago the Shipping Board came to the Post Office Department, through its officers, and made written representations to the effect that additional compensation for the transportation of the mails was necessary in the case of certain American owned and operated lines to South America, and the Dollar Line, which is now maintaining around-the-world service, falling which those lines would probably go out of business, the Postmaster General was asked to exercise his authority under the merchant marine act and grant these mileage rates.

I digress here long enough to say that the Shipping Board never made any request so far as the record shows for an increase in rates while they operated the ships, but as soon as they sold them—virtually for nothing or for a nominal consideration only—the moment they put them in the hands of private owners they went themselves to the Post Office Department and got an increase in the rate.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. McKELLAR. I will yield in a moment. I further read from the Postmaster General's testimony, as follows:

I took up the matter at a meeting of the Cabinet—

That is high authority for the granting of a subsidy—

I took up the matter at a meeting of the Cabinet. The whole matter was explained to the President and the Cabinet. It was discussed very fully. The President suggested that the Postmaster General consult the Secretary of the Treasury and the Secretary of Commerce and get the facts from the Shipping Board as to just what the effect of withholding these contracts would be, just as nearly as possible, the minimum that would be required. He asked us to discuss with them the question of whether there was any lack of authority in the Postmaster General to make those contracts and then, after a full conference with the Shipping Board, to report again to the Cabinet.

That conference was held. The Secretary of the Treasury, the Secretary of Commerce, and I did have a conference. The matter was gone into quite thoroughly between us. I conferred with the officers of the Budget. I went to the officers of the Shipping Board, and they formulated a written representation, which came to the Postmaster General, setting forth the necessity for this additional compensation to these steamship lines. The Munson Line was one. The Dollar Line was another. I will not undertake to name them, because the record shows them.

Then I went to the Comptroller General of the United States. The matter was placed before him, and his construction of the Postmaster General's authority under this act was asked and received.

I came down here to the Senate, and I went and talked with Senator JONES, of the Committee on Commerce, and the author, or at least the sponsor, for the merchant marine act, under authority of which all this was done. I did not go before the House Committee on Appropriations; first, because it never occurred to me that I should have gone there; and next, because that committee was not in session; no specific appropriations were being considered. It was a question of whether the Postmaster General had the right under this act to spend money that was already appropriated; and the Postmaster General, after consulting all those authorities, and on the written representation of the Shipping Board, made these contracts.

Mr. REED of Missouri. Mr. President—

Mr. McKELLAR. I yield.

Mr. REED of Missouri. It seems to me that the question the Senator is discussing is a very important one. I am unwilling that the matter shall be settled without a full attendance of the Senate. I do not want to suggest the absence of a quorum; but, in view of the fact that it is half-past 5 o'clock, would it be agreeable to the Senator to complete his remarks in the morning?

Mr. McKELLAR. That course would be entirely agreeable to me. I should very much prefer it, because there are other facts that I desire to submit to the Senate. I agree with the Senator that this is a very important matter. If we are to establish a ship subsidy, we ought to come out and establish it by law of Congress. It ought not to be established in this left-handed way.

Mr. JONES of Washington. Mr. President, if the Senator will yield, I will move a recess.

Mr. McKELLAR. Yes; I yield.

#### RECESS

Mr. JONES of Washington. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate took a recess until to-morrow, Thursday, December 16, 1926, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, December 15, 1926

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father and our God, day unto day Thy Providence uttereth speech. Thou dost throw open the doors of every morning and breathe Thy life and give Thy light. Do Thou accept the gratitude of all our hearts. May the constancy of such divine care make urgent appeal to our moral sense, strengthen our faith and deepen our affections. Teach us how to employ all those privileges which give us strength and courage, and determine wise and intelligent government. Be with any who may be against the sharp edges of affliction. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### FARM RELIEF

Mr. HOWARD. Mr. Speaker, I present the following resolution and ask for its immediate consideration.

The Clerk read as follows:

#### Resolution

Whereas in the glad atmosphere of the nearing Christmas all hearts should be attuned to the cause of carrying comfort and cheer to every American fireside; and,

Whereas it is within the power of the Congress to carry comfort at this Christmas time to many American hearths whereon the fires of hope are now flaming but flickeringly: Therefore be it

Resolved, That it is the sense of this House that one-half of all the legislative hours between this hour and the lighting of the candles on the nearing Christmas eve shall be wholly devoted to consideration of legislation remedial of present ills upon the body of agriculture.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. SNELL. Reserving the right to object, I would like to know under what rule, or clause of a rule, a resolution of this kind is privileged to be considered.

The SPEAKER. The gentleman from Nebraska does not present it as a privilege, but he asks unanimous consent.

Mr. SNELL. I think, under the circumstances, Mr. Speaker, I shall have to object.

The SPEAKER. The Chair will recognize the gentleman from Nebraska under the rules of the House.

Mr. SNELL. The Chair understands that I reserve the right to object.

The SPEAKER. The gentleman reserves the right to object.

Mr. HOWARD. It is very kind of the Chair to recognize me, but I am not very strong this morning, and I have to speak for 15 minutes on another subject. I desire to ask a question of the gentleman from New York. The gentleman from New York has objected to the consideration of this Christmas resolution in behalf of agriculture, and the question I would like to ask is this: The gentleman occupies an official position in the House—does he object personally or in his official capacity?

Mr. SNELL. I would like to ask the gentleman from Nebraska why we should consider agriculture at this time. I do not understand that the Committee on Agriculture has made any report, and I reserved the right to object in my personal capacity.

Mr. HOWARD. And not in the gentleman's official capacity? In either event I know that I am compelled to yield to the brutal majority, and I yield gracefully. [Laughter.]

Mr. Speaker, I have previously been granted permission to speak for 15 minutes this morning. I deferred it yesterday because I was not strong enough, and I am not very strong this morning, and I prefer to speak now for the purpose for which I obtained the time, and I will speak with reference to agriculture later.

The SPEAKER. The Chair recognizes the gentleman from Nebraska for 15 minutes.

#### BANKING—NEBRASKA GUARANTY FUND

Mr. HOWARD. Mr. Speaker and fellows of the House, I secured time to address you briefly this morning for the sole purpose of calling to your attention a bill now pending before the Committee on Banking and Currency in the House, the bill H. R. 13501, introduced for the purpose of carrying to the people of the whole country a measure of the boon and blessing enjoyed by the people of my own wonderful Nebraska with reference to the security of their deposits in the banks.

Thomas Jefferson said that the highest duty of a Member of the Congress was to regard himself as a representative of the whole people of the Republic, rather than the representative alone of the people of the State which commissioned him here. In my loyalty to the Jeffersonian principle I am trying to occupy that attitude now in the introduction of this bill. Had I at heart the interests of my Nebraska people alone, perhaps I had not introduced the bill; but I want to be large enough to consider the interests of the people of all the States, and I want to do my small part in carrying to them somewhat of the blessings we in Nebraska enjoy because of the fact that we have a law in our State which for 16 years has absolutely guaranteed the deposits of the people in the banks, and under the terms of which no man nor woman nor child has ever lost a dollar of deposits in these banks.

Oh, my colleagues, I have just been getting some testimony this morning from the Comptroller of the Currency, and it ought to make every one of us ashamed that we in our representative capacity, having the power to forbid such conditions, should have so long permitted such a fraud to be practiced upon the American people as we do permit by giving to a man, or to an assembly of men, authority to go out into the world under the name of an institution, recognized as a part and parcel of the American Government, and then spoliage the people who display their confidence in that man or association of men because of the fact that we have given to that man or the association the name of our Government under which to operate.

I wonder how many of us have ever taken the trouble to ascertain what has been the loss inflicted upon the American people by incompetent or criminal national-bank operations during the past five years. Here is a remarkable statement from the Deputy Comptroller of the Currency, Mr. Stearns. The statement shows the losses sustained by creditors of insolvent national banks in receiverships that have been completely liquidated during the years 1921 to 1926, inclusive, and also shows another shameful situation which ought to merit our attention; namely, that during the past five years 450 national banks have gone into receiverships. How many of those receiverships do you suppose are still in operation? How many of those banks do you suppose have been liquidated under those receiverships? The paltry number of 62 banks has been liquidated in five years, and 378 of them are still in course of liquidation. I could not get from the comptroller anything about the losses of those 378 banks not liquidated, but I have a right to strike an average, and regarding the 378 banks still in the hands of receivers, and in comparison with the 62 which have been liquidated, I discover that in five years the losses of the American people who deposited their money in the national banks on the faith of the Government, as most men do, because they believe the Government stands behind our banks which bear a governmental name, amounts to the enormous sum of \$93,000,000. Oh, perhaps that does not mean much to us. We speak of millions very glibly. They do not mean anything more to us than a powder puff, but \$93,000,000 of the deposits of the American people utterly lost to them through their own placing of confidence in banks that bear the sacred name of the Republic ought to attract our attention.

The statement of Mr. Stearns, to which I have referred, I place in the RECORD at this point.



DECEMBER 14, 1926.

*Statement of losses sustained by creditors of insolvent national banks in receiverships that have been completely liquidated during the years 1921 to 1926, inclusive*

Year	Number of liquidations	Liabilities to creditors	Amounts paid creditors	Losses sustained by creditors
1921	14	\$4,085,035	\$2,737,604	\$1,347,431
1922	11	3,244,714	1,976,009	1,268,705
1923	13	2,362,876	940,584	1,422,292
1924	19	7,644,445	5,334,843	2,309,602
1925	5	804,850	804,850	—
Total	62	18,141,920	11,793,890	6,348,030

On November 1, 1926, there were 378 active receiverships, with assets of \$261,310,078. None of these banks were included in the above statement, and no dependable estimate of loss to creditors can be furnished.

In the State of Nebraska during these years two national banks have been completely liquidated; one at Sidney, Nebr., with a loss to creditors of \$173,651, and another at Chappell, Nebr., with a loss to creditors of \$455,303. These losses are included in the total losses given above.

E. W. STEARNS, Deputy Comptroller.

Mr. McKEOWN. Mr. Speaker, will the gentleman yield for a question?

Mr. HOWARD. Certainly.

Mr. McKEOWN. Does the information given the gentleman indicate any good reason why these receiverships are not closed more hurriedly?

Mr. HOWARD. Unhappily I was unable to get any information on that particular subject.

Mr. Speaker, I have often heard the statement that this Nebraska bank guaranty law of ours is an attack upon the national banks and intended to be regarded as such by the people who operate the State banks. That is not true. I could not stand here in good faith and presume knowingly to offer legislation which I thought would injure my fellow men, and particularly the fellows of my own personal household, because indeed they happen to own a little interest in national banks; and I want to submit here in this connection a series of questions and answers prepared by Mr. Gutru, the president of the State bank at Newman Grove, Nebr., making clear and explicit to anyone who would care to understand just what this Nebraska guaranty law of ours is and how it operates; and at this point, under permission to do so, I insert those questions propounded and answered by Mr. Gutru as a part of my remarks. They are as follows:

Question. What is the object of this questionnaire on the subject of the "Guaranty of bank deposits"?

Answer. Its object is education. So many do not understand what it means, whom it protects, and who pays for the protection that it seems timely and proper to set out the facts.

Question. Do the State banks pay for the cost of the protection given depositors under the guaranty law?

Answer. The State banks pay the entire cost of the protection given to depositors, and because they do pay this heavy tax for the benefit of all they feel they are entitled to have the people whom they protect know that they are protected and that the State banks pay the entire cost of it.

Question. Then what is the Nebraska guaranty fund law?

Answer. It is a law creating in effect a gigantic insurance company, composed of all of the State banks of Nebraska, for the purpose of insuring bank deposits.

Question. Has the law been in effect long enough to prove its practical value to the State?

Answer. Yes; it has been in effect 16 years, and during that time not a single depositor has lost a single dollar in a single State bank in Nebraska.

Question. Has there been a money panic or depression during that period?

Answer. Yes; from 1920 to 1923 was probably the greatest financial depression ever known in the history of this country.

Question. Did this put a heavy strain on the guaranty fund?

Answer. Yes; but the guaranty fund proved capable of sustaining every strain that was put upon it, and successfully met every emergency that arose during, before, and since that distressing period.

Question. Did the guaranty fund pay any losses to depositors during that period?

Answer. It certainly did. More than \$11,000,000 were paid to depositors in banks that were liquidated who would have otherwise lost their money had there been no guaranty fund.

Question. What is the condition of the guaranty fund at the present time?

Answer. The guaranty fund at the present time has more than \$10,000,000 of resources, which are gradually being made available for the payment of losses, and in addition to this large reserve it has the power to raise more than one and one-half millions in assessments each year against the State banks of Nebraska. These funds are ample to meet all possible losses that may occur.

Question. How are the assessments made for maintaining the State guaranty fund?

Answer. The law authorizes the secretary of the department of trade and commerce to make an annual levy on the average deposits of the State banks of not more than one-half of 1 per cent, plus one-tenth of 1 per cent, which makes an aggregate assessment of six-tenths of 1 per cent on the average deposits of all the State banks of Nebraska. The average deposits of State banks at the last report amounted to nearly \$290,000,000.

Question. Is this method, then, similar to the processes of levying taxes on property for the payment of the running expenses of the Government?

Answer. It is.

Question. Is it a fact, as often claimed, that the guaranty law protecting depositors in State banks from loss actually saved the State from financial disaster during the recent deflation period?

Answer. It is beyond question a fact, because Nebraska has recovered from the depression of that period with greater rapidity than has any other neighboring State which has not had the benefit of a practical guarantee of deposits law.

Question. Do the depositors in State banks have absolute confidence in the protection of their deposits?

Answer. They certainly do. There has never been a case of a run on a State bank caused by uneasiness, misrepresentation, or fear of the safety of their funds since the law was enacted in 1909. Depositors in State banks do not withdraw their deposits from fear of loss, no matter what may be the condition of the bank, for the reason that they know beyond question of doubt their deposits will be paid in full either by the bank itself or by the State from the guaranty fund in the event the bank is unable to do so.

Question. Is it a fact, then, that when a depositor places his money in a State bank, that all of the State banks in Nebraska guarantee its return to him, regardless of what may happen?

Answer. In effect that is exactly the situation. Nearly a thousand State banks will be taxed by the State annually to the extent of six-tenths of 1 per cent on their average deposits until every dollar deposited in any failed bank is paid in full.

Question. Can there be any greater security than this given to a depositor?

Answer. No better security is known to have yet been devised to protect a depositor from loss. It has survived 16 years, including three years of the most depressed financial conditions ever known in the history of the country. It is safe to assume, therefore, that it will survive through the piping times of peace and prosperity that lie ahead of us.

Question. How many State banks are there in Nebraska?

Answer. Approximately 913.

Question. How many national banks are there?

Answer. Approximately 170.

Question. Does the guaranty fund protect the depositors against loss in national banks?

Answer. It does not. The State does not have control over national banks. The law only applies to State banks, and deposits only are insured against loss in State banks.

Question. Are the national-bank depositors protected by a national-bank guaranty law?

Answer. They are not so protected. There is no such thing as a national guaranty law affecting national banks.

Question. Why has there not been enacted a national guaranty law protecting national-bank depositors?

Answer. Because national bankers, as a rule, are opposed to the passage of such a law and Congress has not seen fit to overcome their opposition.

Question. Why do they oppose it?

Answer. Because they do not wish to pay for the expense of maintaining it. It costs a great deal of money to insure the depositors against loss in banks. The State banks in Nebraska have paid up to date over \$11,000,000.

Question. Does the Federal reserve act in any way protect depositors from loss in national banks in case of failure?

Answer. It does not in the least. The Federal reserve is a great credit reservoir for national banks as going concerns, and is of great service to the country. It mobilizes the reserves of national banks and makes them available for credit, so that national banks can borrow money freely from it, thus enabling them to meet the demands of their customers in an emergency, but it does not pay depositors in case of loss or failure.

Question. Do not national bankers sometimes claim that it does?

Answer. Some may do so, but they do it through ignorance or in an attempt to mislead their customers. High-class national bankers make no such false claims, nor do they wish to profit through a misrepresentation of that kind.

Question. Has the Federal reserve act strengthened sound banking among national banks by exacting better practices?

Answer. It certainly has. It has made examinations of banks more rigid than formerly and has created higher ideals of banking than formerly existed.

Question. Has the guaranty fund law strengthened sound banking in the State banks by exacting better practices?

Answer. It certainly has. As a result of banks being compelled to guarantee each other's losses in case of failure, they have demanded stricter and more rigid examinations, and have insisted upon licenses to bankers being issued only to men of high character and known integrity.

Question. Then if the banking situation has been greatly strengthened by the guarantee fund law and the Federal reserve act, is there any use of a guarantee of deposits law any longer?

Answer. There is as much use for a guarantee of deposits law as there is for fire insurance. One can get along without either, but he sleeps better for having them, and in case of loss he is better able to go ahead with his business as a result of being able to have his money returned to him in full.

Question. What effect has the guarantee law had on the prosperity of the State?

Answer. Without the guarantee of deposits law, which has made possible the payment to the depositors of banks that have liquidated in Nebraska during the last 16 years their deposits in full, thousands of people would have been more or less impoverished through their losses, but this has been entirely avoided and absolute confidence maintained, enabling the people to go on with their business without any financial disturbances whatever. When a merchant's store is destroyed by fire the insurance he carries enables him to immediately replace his stock and continue his business. When a bank fails anywhere in the State system all of the depositors are paid in full out of the guarantee fund, with the result that the depositors continue their business without any interruption. The confidence of the people in their banks is maintained and their money is constantly flowing through the banks for the purpose of carrying on the commerce of the State without any interruption. Industry is stimulated with the funds that are constantly available in the banks, and the prosperity of the State has gone forward without let-up or hindrance in spite of the greatest price depression in all history. No surrounding State has prospered to the extent that Nebraska has. That has been the effect of the maintenance of public confidence in our financial institutions through the payment of depositors in full for every dollar they had on deposit in State banks that were closed.

Question. What is the financial situation now in Nebraska?

Answer. It was never sounder or better than at the present moment. Deposits in banks are increasing at a very rapid rate, indicating that the people are accumulating a surplus and gradually paying their debts. The banks never have been in such a sound position as they are now, and there has never been a time when there was more available credit for business and industry than at the present.

Question. What would have been the effect on the State if there had been no guarantee of deposits law?

Answer. The effect would have been similar to that existing in one or two neighboring States, that can not with propriety be mentioned, whose financial status is now in a state of chaos as a result of the lack of confidence due wholly to the fact that there is no insurance backing their financial institutions.

Question. Does the law in Nebraska recognize State banks as depositories for public funds?

Answer. It does. Every State bank may be used as a depository for public funds for unlimited amounts without bonds of any kind.

Question. Does the State law authorize national banks as depositories without bonds?

Answer. It does not. A national bank must give bonds for public funds held on deposit, because its deposits are not insured as they are in State banks under the guaranty law.

Question. Do national bankers object to the Nebraska guaranty law?

Answer. Some of them do. Others recognize the great value of the law as a stabilizer of the financial situation in the State and heartily approve it. Those who do not have the broader view try to discredit the guaranty law so as to avoid its competition, notwithstanding the fact it has made Nebraska prosperous beyond that of any of its sister States not so protected. The solvent banks of the State have paid to depositors of failed banks more than \$11,000,000 in losses, which is a great sacrifice for them to make in the interests of the maintenance of the high honor and trust that banks deserve as depositories of the people.

Question. Is this statement concerning national banks a criticism?

Answer. It is not a criticism. Our national banking system ranks with any system of banking known in the world. The only object of this educational program is to acquaint the people with the two kinds

of commercial banks we have in this State—namely, the State and National—and to make clear the fact that the Nebraska guaranty law protects only the depositors in Nebraska State banks and not in national banks.

Contrary to statements made in some quarters, the happy fact appears that there is no controversy at all between the State and National bankers in Nebraska. Every intelligent national banker—and most of them in Nebraska are intelligent—applauds the stability of his State bank competitors and sincerely believes that the small number of national-bank failures in Nebraska, compared with some other States, has been largely due to the general stability of the banking situation in that State, as a result of a guaranty law which really does guarantee deposits. It will be noticed by a careful reading of the above questionnaire that the State banker who put out that questionnaire took no issue at all with his national banking neighbors, but spoke generously and kindly of them.

I take it for granted that every person who has made even small study of the workings of our splendid Nebraska law to guarantee deposits in the banks has long ago dismissed opposition to the good principle involved. It is a matter of common knowledge that there is no bank which of itself could stand a run by depositors. And it takes so little to start a run of that kind; a whisper, a bare suspicion has often been sufficient. Such whisper and suspicion may cause what might be called "a panic," an apprehension on the part of the depositors as to the safety of their deposits. Many a bank which in fact was solvent has been driven into liquidation by baseless rumors. One great value of the guaranty law is that it allays that apprehension as to the safety of the deposits.

There would be no panic nor run on a bank as long as the depositors are assured that they are protected by a guaranty law. I do not believe we have had anything in the nature of such a run on a State bank in Nebraska since our guaranty law was enacted.

It has been well said that a satisfied, contented ex-soldier is the best bulwark between any government and internal disturbances by dissatisfied elements. And it follows naturally that the best bulwark between any bank and the day of trouble is the bulwark of satisfied and contented depositors. I think I might best illustrate this by recital of the story of Jim Glibberson. He had \$4 on deposit in his home bank. He had heard rumors regarding the solvency of the bank, and so he hurried inside to get his money. He told the cashier he wanted his money, and then added:

If I kin git it, I don't want it; but if I can't git it, I have got to have it.

Mr. LINTHICUM. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. LINTHICUM. Does not the United States Government demand a bond for any money that it deposits in the national banks or in other banks?

Mr. HOWARD. Oh, yes; the Government does. The Government is always protected by a bond.

Mr. LINTHICUM. But the people who deposit the money in those banks are not?

Mr. HOWARD. No. The innocent bystanders—the depositors—are not protected.

Mr. HASTINGS. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. HASTINGS. I invite the gentleman's attention to the fact that I have that sort of a bill pending, and that I made a speech here last session upon it; but my bill requires each bank to give a bond to protect the depositors. In my State and in the gentleman's State, if a city or the State or a school district deposits money, you have to give a bond to protect their deposits. My bill requires each bank to give a blanket surety bond to protect all deposits, just as you protect the State, the school, or the Government deposits.

Mr. HOWARD. But under the law of Nebraska no State bank is required to give a bond for any of the deposits, because all deposits are guaranteed.

Mr. CRISP. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. CRISP. What liability does each one of the individual banks assume for the responsibility of all of the banks as to deposits?

Mr. HOWARD. In the first place, each bank becoming a part and parcel of the guaranty system is required to deposit in the Nebraska guaranty fund a certain percentage of the average daily deposits of the bank for the past year. If a new bank comes in, it puts up 4 per cent of its capital. All of those deposits remain in the contributing bank, subject to the call of the banking department, and the secretary of the Banking Board is permitted to levy one-quarter of 1 per cent upon the



average daily deposits for the past year, or one-half of 1 per cent if an emergency should arise. Those emergencies do not arise very often. The bank guaranty fund now has something in excess of \$12,000,000 to the good, I think; and it is working so splendidly that I suggest that you gentlemen, if you have people in your home States who are uneasy about their deposits, who can not sleep very well at night, should have them send their deposits to Nebraska, where there is naught to make afraid, naught to drive away sleep. It might be of interest to note at this point that there are one or two States near us in which the orgy of broken banks has been a little larger than in any others. I shall not name the States I have in mind, but one of them is not very far east of us. It has been estimated that at this time we have something over \$5,000,000 of deposits in our banks from the people of that particular State. I know one of my own relatives is acting in a fiduciary capacity as the guardian of a little child. He has some \$12,000 of guardianship money. He got nervous. He lives in Iowa—I might just as well tell the truth [laughter]; and I have nothing against Iowa—I was born there, by mistake. But it is a fact, and a splendid fact, gentlemen, that the guaranty law of Nebraska is not only a blessing to our people, but it has reached out and blessed others who will come in and share its blessings; and in these glad Christmas days I am tendering to the people of your States—for unfortunately you have no such guaranty—I am tendering to you an opportunity of carrying a Christmas greeting to them and to tell them to bring their money to Nebraska, where it will be safe. [Applause.]

Mr. CHINDBLOM. Will the gentleman yield?

Mr. HOWARD. I will.

Mr. CHINDBLOM. Has the gentleman in mind any particular bank in Nebraska?

The SPEAKER. The time of the gentleman has expired.

Mr. HOWARD. Mr. Speaker, may I have opportunity to reply to the courteous question of the gentleman?

The SPEAKER. The gentleman from Nebraska asks unanimous consent to proceed for one minute.

Mr. HOWARD. What was the question?

Mr. CHINDBLOM. I asked if the gentleman had in mind any particular bank.

Mr. HOWARD. Oh, yes; I have, but then it would be personal if I should designate the banks. So I must not designate any; they are all so good. [Laughter.] Now, that is all, Mr. Speaker. [Laughter.] I ask unanimous consent, I thought I had it, to insert at the proper place the valuable official evidence which I offered to the House a moment ago.

The SPEAKER. The gentleman from Nebraska asks unanimous consent to extend his remarks. Is there objection? [After a pause.] The Chair hears none.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had insisted upon its amendments to the bill (H. R. 6238) entitled "An act to amend the immigration act of 1924," and requests a conference with the House thereon, and had ordered that Mr. JOHNSON, Mr. KEYES, Mr. REED of Pennsylvania, Mr. KING, and Mr. HARRIS be the conferees on the part of the Senate.

The message also insisted upon its amendments to the bill (H. R. 12316) entitled "An act to amend the Panama Canal act and other laws applicable to the Canal Zone, and for other purposes," disagreed to by the House of Representatives, and had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had ordered that Mr. EDGE, Mr. GREENE, and Mr. WALSH of Montana be the conferees on the part of the Senate.

#### ATTITUDE OF UNITED STATES VETERANS' BUREAU TOWARD EX-SERVICE MEN

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting a letter from a prominent citizen in my district in reference to a Veterans' Bureau case.

Mr. EDWARDS. Mr. Speaker, reserving the right to object, I did not understand the gentleman.

The SPEAKER. The gentleman asked to have a letter inserted.

Mr. EDWARDS. What is the letter?

Mr. THOMPSON. It is the review of a case before the Veterans' Bureau.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. THOMPSON. Mr. Speaker, the United States Veterans' Bureau is an independent bureau of the Government, responsible not to the Interior Department, War Department, or any other department administered by a Cabinet officer, but responsible only to the President of the United States. It is patent that the President, with his enormous responsibilities and multi-

licity of cares, can not give the sort of attention that is needed to this bureau, with the result that the United States Veterans' Bureau does very much as it pleases.

From nearly eight years of experience of presenting ex-service men's claims to the Veterans' Bureau, I have come to this conclusion, namely, that the Veterans' Bureau is mostly a military organization, officered and to a large extent manned by soldiers and ex-soldiers. The military personnel has not, however, been in sympathy with its former comrades who are unfortunate in health, but has, on the contrary, leaned over backward in its efforts to be a part of the Government.

I have consulted many of my colleagues and find that they, too, have suffered the embarrassment of seeing claims delayed and denied, claims that needed quick and efficient treatment and also a touch of sympathetic treatment to prevent suffering, hardship, and even death. It is becoming common knowledge that the Veterans' Bureau holds down its regional managers and medical officers, instructing them to fight cases where compensation is sought, oftentimes denying them on technicalities; that it continually seeks to cut down compensation to veterans by frequent examinations, which are almost without exception conducted in a far from sympathetic manner. In fact, to speak plainly, medical officers so frequently adopt a hard-boiled attitude toward broken-down claimants, seemingly wanting to scare them off. All this seems to be in an effort to save money and make a record of economy. The bureau is continually turning back money into the Treasury that was appropriated by Congress to salvage and aid these men who were taken from all walks of life and thrown into the first line of defense, to take whatever might come to them. Not long ago nearly \$70,000,000 was returned to the Treasury by this bureau, while ex-service men all over the country were living on charity or dependent on relatives, rather than longer fight for their claims, or, if they continued to fight, it got them nowhere.

I believe in economy of government. But the United States Veterans' Bureau is the last place, absolutely, that I would begin such economy, and I would look upon money saved by such methods as unworthy of the ideals of this country. Congress appropriates liberally for these ex-service men, and wants them taken care of liberally. But the money is not all used; the wishes of Congress in this regard are ignored, and our individual pleadings and representations seem not to be heeded.

Just as one example of the many cases that have stirred me in my connection with the bureau, in defense of my constituents, I wish to record here correspondence between the Veterans' Bureau and Dr. C. O. Beardsley, of Ottawa, Ohio, concerning the claim of Julius C. Rothman, C-641456. There are also affidavits of witnesses, and it is here shown upon what flimsy grounds a decision of the bureau can sometimes be based, and how such a decision can be shown up by a competent physician:

#### LABORATORY REPORT

Name of patient, Mr. Julius Rothman, room No. 505.

#### OTHER LABORATORY EXAMINATIONS

Sputum: Microscopic examination shows hemolytic streptococcus and staphylococcus.

H. J. BALLINGER, M. D., Pathologist.  
S. M. C., Technician.

Re: C-641456.

Julius C. Rothman, deceased.

STATE OF OHIO,

Putnam County, ss.:

I, B. L. Griffiths, being first duly sworn depose and say that on October 30, 1926, I accompanied Mrs. Elizabeth Deck Goedde and Dr. C. O. Beardsley to Toledo, Ohio, and was present when they interviewed Dr. D. J. Clark, of Toledo, in regard to the claim of Julius C. Rothman, deceased.

Doctor Clark stated that he was not acquainted with Julius C. Rothman, had never seen him, and had never treated him up until January 16, 1920, at 9.30 a. m., when he was called to see him at his place of residence at the Tompkins Hotel, Toledo, Ohio. Doctor Clark further stated that as soon as he saw the claimant, Julius C. Rothman, sitting in the hotel lobby, he saw that he was seriously ill, and took him to the Mercy Hospital in his own automobile, where the said Julius C. Rothman died January 17, 1920, at 5.30 a. m.

Affiant further said that the said Dr. D. J. Clark further stated that he knew nothing about the history or the illness of the said Julius C. Rothman prior to January 16, 1920, at 9.30 a. m.

B. L. GRIFFITHS.

Sworn to before me and subscribed in my presence this 8th day of November, 1926.

[SEAL]

FRONA BRINKMAN,  
Notary Public.

Re: C-641,456, Julius C. Rothman.

STATE OF OHIO,

*Putnam County, ss.:*

I, B. L. Griffiths, being first duly sworn, depose and say that on October 30, 1926, I accompanied Elizabeth Deck Goedde, the Red Cross worker, of Putnam County, Ohio, and Dr. C. O. Beardsley, of Ottawa, Ohio, to Toledo, Ohio, and was present when they interviewed Dr. L. D. Miller, of 620 Summit Street, Toledo, Ohio, in regard to the claim of Julius C. Rothman, deceased.

I further state that after the said Dr. L. D. Miller consulted his records he stated that he had neither record nor recollection of ever having treated the said Julius C. Rothman, deceased. He said that since he (said Dr. L. D. Miller) returned from the Army, in 1919, he specialized in G. U. diseases and allowed no man to come in his consultation office without making a card record, and he referred all other cases to other doctors.

BEN L. GRIFFITHS.

Sworn to before me and subscribed in my presence this 9th day of November, 1926.

[SEAL.]

FRONA BRINKMAN,  
Notary Public.

(Lawrence D. Miller, M. D., suites 8 and 9, Summit and Charry Market Building)

TOLEDO, OHIO, October 11, 1926.

MARY C. ROTHMAN,

216 South Railroad Avenue, Ottawa, Ohio.

DEAR MADAM: I did not attend Julius C. Rothman. We have two other Doctor Millers in Toledo—Dr. L. A. Miller, Spitzer Building, and Dr. C. S. Miller, 2404 Cherry Street.

Respectfully,

(Signed) L. D. MILLER, M. D.

STATE OF OHIO,

*Lucas County, ss.:*

I, Roland Nebulung, being first duly sworn, deposes and says that I am the day clerk at Hotel Tompkins; that I have knowledge of the fact that Julius C. Rothman was suffering with what appeared to me to be a bad cold. He had a hacking cough, and we told him here that he ought to go to a physician. He seemed to be doctoring himself. This condition existed for some time before he went to the hospital, for at least one month.

Affiant further states that he has no interest in this case whatsoever and is not related to claimant.

ROLAND NEBULUNG.

Before me, a notary public in and for Lucas County, Ohio, personally appeared Roland Nebulung and acknowledged the signing of this instrument as his free act and will and for the purpose set forth.

[SEAL.]

H. C. HATCHER,  
Notary Public.

(My commission expires March 11, 1929.)

Re: C: 641456, Julius Charles Rothman.

STATE OF OHIO,

*Lucas County, ss.:*

I, Mrs. Sophia Tompkins, of 708 Superior Street, Toledo, Ohio, being first duly sworn, depose and says:

That she is the wife of Fred F. Tompkins, the owner and proprietor of Hotel Tompkins, located at 708 Superior Street, Toledo, Ohio.

That she was well acquainted with Julius C. Rothman prior to his entering the service of the United States Army, and that he was in good health. She has personal knowledge of this from the fact that he lived at the said Tompkins Hotel several years before entering the service, and that after his discharge from the service of the United States Army, on January 7, 1919, he returned to the said Tompkins Hotel, where he lived up until he was removed to the Mercy Hospital on January 16, 1920, and died January 17, 1920.

Affiant further says that she noticed that when Julius Charles Rothman returned to the Tompkins Hotel in January, 1919, after he was discharged, that he was not in good health. He was thin, he was emaciated, and looked quite frail. He had flushed cheeks. He had a regular hacking cough, and at times a spell of bad coughing. It was very noticeable when passing through the halls when he was lying down in his room, but I also noticed it when he was in the lobby. This coughing continued from the time he returned from the Army until he was taken to the hospital.

Affiant says she often suggested that he see a physician, but that he was of an uncomplaining nature, would not give up, would not allow her to do anything for him, but said that he would see a physician, and affiant says that it looked like tuberculosis.

Affiant further states that she has no interest in this case whatsoever and not related.

Mrs. SOPHIA TOMPKINS.

Before me a notary public in and for Lucas County, Ohio, personally appeared Mrs. Sophia Tompkins and acknowledged the signing of this instrument to be her own free will and act and for the purpose set forth.

[SEAL.]

H. C. HATCHER,  
Notary Public.

(My commission expires March 11, 1929.)

TOLEDO, OHIO, October 30, 1926.

This is to certify that I attended Mr. Julius C. Rothman January 16, 9.30 a. m., to January 17, 1920, 5.30 a. m., and that he died from influenza pneumonia at 5.30 a. m. January 17, 1920.

Dr. D. J. CLARK.

(P. S.: This is all I know of this case.)

Dr. D. J. C.

#### STENOGRAPHER NOTE

Please make four copies—

One for the Red Cross office.

One for Charles Thompson, Congressman elect.

One for the United States Veterans' Bureau.

One for Dr. C. O. Beardsley, the author.

Reply to: F A B A, 9/9/26, Rothman, Julius C. (deceased), C-641456. Hon. F. T. HINES,

Director of United States Veterans' Bureau,  
Washington, D. C.

#### SUMMARY

The evidence already in your hands, with your letter of September 9, 1926, the within letters and affidavits have swept the foundation of contention from beneath the Director of the United States Veterans' Bureau in this case.

Lines 15, 16, and 17 are an admission that Doctor Clark says this was a case of tuberculosis. Doctor Clark's statement attached says he knows nothing about this case prior to his last few hours (20) of sickness.

B. L. Griffiths, who interviewed Doctor Clark, makes an affidavit which is attached.

Lines 10, 11, 12, and 13 give wrong date of death. Rothman died 1 year and 10 days after discharge from Army, January 17, 1920.

Dr. L. W. Miller, 620 Summit Street, Toledo, Ohio, in a written statement denies ever treating Julius C. Rothman at any time.

B. L. Griffith, who interviewed Dr. L. W. Miller, October 30, 1926, makes affidavit, which is attached.

Julius C. Rothman made his home at the Tompkins Hotel, Toledo, Ohio. He lived there before going to the Army and registered at the hotel the day after discharged, January 8, 1919.

Mrs. S. Tompkins makes an affidavit of Rothman's condition during the last year of residence at this hotel, copy attached.

The clerk of the Tompkins Hotel knew Rothman and made affidavit, copy attached.

Lines 19, 20, and 21, too much difference between Doctor Clark's examination and hospital record, which was made one hour later. See affidavit of B. L. Griffith, made following interview of Doctor Clark.

Lines 24 and 25: Affidavits of C. O. Beardsley, M. D., are correct and stand for what they say.

Lines 26, 27, and 28: You are making a broad statement, which is fully answered in the body of this letter and former affidavits.

Lines 29, 30, and 31: Read letter of June 22, 1926, page 9. The paragraph referred to was a prophecy, and from the facts presented you should have made a diagnosis, in all of which you failed, and makes it necessary to upset your decision by additional evidence and by assistance of your medical director, Doctor Black, unknowingly.

Lines 38 and 39: No bacteria report of pneumococcus was found.

Lines 40, 41, and 42: Laboratory finding of hemolytic streptococcus by microscope is impossible (see Doctor Black's statement) and should have no value as evidence. We all admit Rothman died, and was a soldier, but deny that streptococcus infection can be called pneumonia. Staphylococcus not classified. Absence of pneumococcus eliminates pneumonia. Laboratory microscopical report wipes out laboratory diagnosis by Doctor Black. The sources of streptococcus hemolyticus are many.

Lines 42, 43, and 44: Hemolytic streptococcus is virulent; no more so than tubercular bacteria. I can not agree with you that hemolytic streptococci caused more deaths in 1918 than any other cause. Lieut. Col. Arthur Dare, Medical Corps, United States Army, Chief Medical Service, United States General Hospital No. 14, Fort Oglethorpe, Ga., report of cases of pneumonia associated with pneumococci in combination with streptococcus hemolyticus, 423 cases, 29 deaths, mortality 6.3 per cent.

Lines 45, 46, and 47: Doctor Clark's picture of veteran's condition is anything but a classical description. See his record of case and compare with hospital record.



Lines 49 and 50: Terrific hemorrhage. See nurse's statement and hospital record. A solid engorgement of lungs as in pneumonia does not produce a bright-red hemorrhage; blood is dark, expectorations in small quantities, sputum is tenacious and difficult to expectorate; in pneumonia this is known as prune-juice sputum.

Lines 51 and 52: Hospital record is dependable; that expectoration of bright red blood occurred and quite freely, a positive indication of tuberculosis.

Lines 61, 62, 63, and 64: Is correct and reaffirmed.

Lines 64, 65, and 66: The investigation was very elementary and fails to read truthfully.

Lines 67, 68, and 69: Do you require a falsehood to satisfy your imagination? No sputum examination was made to find tubercular bacteria to determine disease. A good clinical examination was made and was believed sufficient.

Lines 71 to 77, inclusive: Doctor Clark called 20 hours before death; did not know Veteran Rothman before; diagnosed case, put him in his automobile, and took him to Mercy Hospital in less than one hour. (See B. L. Griffith's affidavit and Doctor Clark's letter attached, calling it pneumonia.) Your Doctor Black would laugh at laboratory findings as a determined examination for pneumonia.

Lines 78, 79, and 80: Death certificates may say anything to pass the requirements.

Lines 81 and 82: Show a wonderful lapse of memory and no record.

Lines 84 and 89, inclusive: A perusal of all evidence presented to date by you does not agree with findings from any source and does not fit into history of Rothman; affidavits, hospital record, clinical examination, duration of sickness, or laboratory microscopical findings, but does agree with lines 15, 16, and 17 of your letter of September 9, 1926.

Please review my letter of June 22, 1926, in connection with this as a matter of evidence.

C. O. BEARDSLEY, M. D.

OTTAWA, OHIO, November 13, 1926.

Hon. F. T. HINES,

Director United States Veterans' Bureau, Washington, D. C.

Reply to F. A. B. A., September 9, 1926. Julius C. Rothman, deceased. C-641456.

#### CONTENTIONS AND DISCUSSION

I accept your interpretation of the advisory group in a gracious spirit, and grant you sympathy and charity in your analysis of my contentions in a letter of June 22, 1926.

This case of Julius C. Rothman was brought to your attention by my affidavits, his hospital record, and death certificate, the latter made by Dr. D. J. Clark, as prima facie evidence.

A death certificate may say anything that the physician may write in it, whether it is imaginary or a fact, just sufficient to pass the vital-statistics censor, as in this case, and should have no weight in the determination.

In the third paragraph of your letter, lines 15, 16, and 17, you make an admission that "the evidence introduced to support the contention that the cause of death was pulmonary tuberculosis consists of affidavits by laymen, by Doctor Clark, and myself." Thanks for this kind admission, and by this admission you have lost the foundation upon which you base all objections. Having been driven to quarters by my letter, the adoption of a panacea (or passing the buck) to a streptococcus hemolytic and a staphylococcus as the cause of death, totally ignoring the pneumococcus and piffers bacillus. What an absurd proof of pneumonia, especially pleural pneumonia. The pneumococcus must be held responsible for the causation of most cases of both lobar and lobular pneumonia, but not for a number of other pathologic processes and conditions. Among the most common of these are inflammations of the pleura, pericardium, endocardium, and meninges, as will be pointed out.

Both streptococci and staphylococci are capable by themselves of provoking pneumonic processes of the lobular type, and when found with the pneumococcus they may be regarded as taking some part in producing the observed pathogenic effect.

The history of streptococcus infection was studied at Camp Custer by Blanton, Burhans, and Hunter, and published in the Journal American Medical Association, May 24, 1919, 72, No. 21, page 1520. The streptococci manifested themselves uniformly as secondary invaders in mixed infection, and as secondary infectors more often than any other microbe. The streptococci have a baneful influence upon a number of maladies, notably upon the last stage of pulmonary tuberculosis, in which they involve healthy tissues adjacent to tuberculosis area, and predisposed to hemorrhages. The staphylococcus is found in suppurative inflammations of all parts of the human body, as well as the streptococcus.

It has been demonstrated that the streptococci are not of uncommon finding in the tonsils and teeth of apparently healthy individuals, as well as those suffering from systemic infections and toxemias. It is important to determine whether the acute respiratory infections

are the result of infection from the patient's own organism, or by a more virulent strain from some other individual. This problem is thoroughly covered by Davis, Journal American Medical Association, February 1, 1919, 72, No. 5, page 320, who considers it reasonable that individuals are being infected from time to time with their own streptococci, especially following the infectious diseases, and by this process the streptococcus becomes more and more virulent and aggressive, reaching a point ultimately at which the small dose contained in infected droplets, or other vehicles, are sufficient to transmit the disease to a normal person. The relation of streptococcus hemolyticus has been studied by Blake, who believes that the widespread streptococcus infections have been due to invasions of virulent streptococci in individuals rendered susceptible by predisposing diseases, either direct or indirect, and that autogenous infection had played its rôle in the production of these streptococcus infections. In addition to their conspicuous rôle as initiators of very diverse pathologic conditions. Streptococci are present in mixed infections and secondary infections more often than any other microbe; that is to say, they have a tendency to follow in the wake of, and act as accomplices to other pathologic organisms. From the foregoing information you have learned that the streptococcus hemolyticus is virulent all within itself, and does not require a background of any special disease to assist it in its destructive nature against life, as it is destructive within itself.

In diseases which weaken the resistance due to the primary specific infections agents are followed by the invasion of the tissues by streptococci. The streptococcus invasion of the lung tissue is common in pulmonary tuberculosis as a secondary infection.

Postoperative hemolytic streptococcus wound infections and their relation to hemolytic streptococcus carriers among the operating personnel. F. L. Meloney and F. A. Stevens, New York, found upon examination of the operating-room staff the fact that 33 per cent of these persons harbored hemolytic streptococcus in their throats and one of the instrument nurses carried it in her nose. The evidence was very strong that one case of postoperative hemolytic streptococcus wound infection was caused by transfer of the organism from nose of nurse to the wound at the time of operation. (Journal American Medical Association, p. 1591, November 6, 1926.)

The syndromes of all chronic diseases are made unrecognizable by acute infections from any bacterial source, simulating one disease with another. Such is true of chronic tuberculosis infected by piffers bacilli, makes the symptoms complex, likewise when infected by pneumococcus, which is remarkably frequent, the case becomes concomitant or secondary pneumonic infection. In like manner any bacterial infection becomes a secondary infection to the original and more particular to a chronic condition.

Experiences are not limited to those I have mentioned, but others from Pasteur, 1878, Hericourt and Richets in 1888, Marmoreke in 1895, Van Develle in 1896, on through Weaver and Tunncliffe in 1911 to Dick in 1925. I wish to quote from your medical director, Dr. B. W. Black, in answer to the following questions:

First. What do you understand by a pathological report as follows: Sputum-microscopical examination shows hemolytic streptococcus and staphylococcus?

Answer. You are advised that the hemolytic streptococcus and staphylococcus can not be classified by microscopical examination alone. It is necessary to resort to these cultural examinations before one may definitely classify the organism as hemolytic streptococcus. With regard to the staphylococcus it is the desire to inform you that this organism must also be classified by cultural means. (Then the Mercy Hospital technician at Toledo, Ohio, in his laboratory report, has made a statement which he can not sustain by his microscopic examination of this case.)

Second. Will you name the disease contributing to the above?

Answer. Desire to inform you that hemolytic streptococci and staphylococci may be found in the normal sputa, and their presence does not necessarily imply disease.

Third. Give me etiology and prognosis on first question.

Answer. You are advised that it is impossible to give etiology and prognosis unless a disease entity is first established. (No disease entity being established by the hospital laboratory in this case, and normal sputa could contain the bacteria as found. Therefore, the pathological microscopical examination of sputa was of no value in this case.)

Fourth. Do you think a positive determination can be made by the pathology of the first question?

Answer. The last question is not clear. (True, it is impossible to give etiology and prognosis unless a disease entity is first established, which is not scientifically done in this case by neglecting to cultivate the sputa upon blood-agar plate and definitely determine the bacteria of entity, thereby determining the disease by bacterial finding, which was not done in this case.)

TOLEDO, OHIO, November 11, 1926.

C. O. BEARDSLEY, M. D., Ottawa, Ohio.

DEAR DOCTOR: Pardon the delay. It is possible to have hemolytic streptococcus in the sputum without any disease. Then again you may

find it in grippe, sore throat, and in hemolytic streptococcus pneumonia. You could not determine this by microscopic examination alone, however, but it is necessary to culture it on blood media.

Hoping this answers your question, I am,

Yours very truly,

H. J. BOLLINGER,

216½ Michigan Street, Toledo, Ohio.

The above is the pathologist of the Mercy Hospital, Toledo, Ohio, and the individual who made the microscopical findings of streptococcus hemolyticus and staphylococcus in the sputum of Julius C. Rothman, and who gave it as his final conclusion that it was a case of pneumonia.

And on the date of this letter, November 11, 1926, has made a written statement, as given above, contradicting his first statement, by saying it could not be found by microscope, thus invalidating his evidence as given to be worthless.

And the death certificate made by Doctor Clark was only a matter of a guess, and if depending upon this pathological examination, which is a contradiction, and the mixture of a guess and a contradiction does not make a fact, and both are worthless as evidence.

I wish to thank Dr. B. W. Black for his courtesy and compliment him upon his learning and ask that he review the hospital record and laboratory report of Julius C. Rothman, and make practical use of his answers.

Dr. H. J. Bollinger, pathologist of Mercy Hospital, Toledo, Ohio, statement attached. The pathologist who made laboratory report of Julius C. Rothman's condition says that hemolytic streptococcus is found in sputum without disease and can not be determined by microscopical examination, which contradicts the laboratory report in every particular. This report has no value in this case as a solution of condition present at any time during the life of patient or afterwards, and should not have any weight in this or any other case.

You can find the streptococcus hemolytic located in the tonsils, teeth, otitis media, suppurative meningitis, suppurative pelvic peritonitis, erysipelas, puerperal fever, scarlet fever, smallpox, diphtheria, bronchial pneumonia, lobar pneumonia, as well as in tuberculosis and an endless number of other diseases.

It is necessary to make a culture of sputa on blood-agar plates to classify the streptococcus, also the staphylococcus. The streptococci are spherical but differ from those of the latter organism in being usually united in long or short chains; under certain conditions are aggregated in heaps or masses. The microscope can detect the streptococci after staining. The streptococci are not motile, do not possess flagella and do not form spores. The hemolytic streptococci are characterized by a sharp clear zone around a colony, after cultivating, known as lacking. From the Mercy Hospital report you passed to a final conclusion that Julius C. Rothman's condition (lines 73 and 74 of your letter of September 9, 1926) was correctly diagnosed as a virulent pleural pneumonia with the additional infection of streptococcus hemolyticus microscopically found. (Proven impossible by Doctor Black.)

You offer no evidence of any pneumococcus or piffers bacteria as being present at any time, and only from the death certificate have you any evidence of pneumonia, and this may be as much a blunder as the laboratory findings of hemolytic streptococcus with a microscope. Further, in this case of Julius C. Rothman there is no telling the source of the sputum examined, from what patient, person, or nurse the sputum, urine, stool, or suppuration this specimen originated, as any person in the presence of Julius C. Rothman could be a carrier and would communicate the streptococcus by coughing, sneezing, speaking, whispering, crying, forced breathing, or from foodstuff or dishes, etc., as mentioned in last paragraph on page 2 of this letter. Not only these, but the injection of antipneumococcus serum (which contains pneumococcus, streptococcus, staphylococcus bacillus as a polyvalent vaccine), which was given Julius C. Rothman hypodermically as principal treatment without typing the pneumococci is a flagrant blunder and proof of lack of knowledge of this case at hand.

Tangemeister, in his experiments with antistreptococcus serum, believes the serum acts specifically, but that it is not antitoxic, but increases the number of streptococcus by destroying the immune bodies, allowing the streptococcus to become very virulent.

Serum treatment was used in this case. (See hospital record.)

Cole and his fellow workers at the Rockefeller Institute: No effective serum of pneumococci II-III-IV type has been obtained to date. Before the serum can be used in treatment of patient the type of infecting organism must be determined (which was not done in Rothman's case; no pneumococci found or typing made). Antipneumococci serum is not antitoxic (Sherman's Manual of Vaccine Therapy). In the use of antipneumococci serum in this case without the above knowledge caused more alarming conditions and possibly a fatality.

The injection of serum of an animal into an animal of a different species is always followed by the appearance of a hemolyzing substance. This substance is specific, that is, it dissolves the hemoglobin out of the red corpuscles of the species from which the injected

blood was derived, and is without action upon the corpuscles of other animals. The guinea pig inoculated with rabbit's blood becomes hemolytic for red corpuscles of the rabbit. (Ehrlich.)

With all of these opportunities of secondary infection of an already diseased and debilitated body, a death would be no surprise.

I am not a stranger to the fact that the streptococcus infection of the lungs causes an inflammatory congestion, and carries many of the symptoms of a pneumonia, but its provings are not of pneumonic origin. The streptococcus needs no assistance to be virulent. Line 77 of your letter of September 9, 1926: "And he spent the next 20 hours as a typical pneumonia case," and no report of pneumococcus being found. This looks like trying to ride two horses at the same time and each going in opposite directions. Line 49 to line 60 of your letter of September 9, 1926, does not dispute the nurse's affidavit, but more strongly confirms her statement of a terrific hemorrhage and the expectorating of bright red blood. Lines 19, 20, and 21 of your letter of September 9, 1926, says, "Doctor Clark first visited the veteran; he found him apparently in an alarming condition, with high temperature and cyanosis." Would you believe a cyanosized patient whose blood is loaded with carbonic-acid gas as in cyanosis due to congestion of lungs could expectorate a bright red blood? No; not in this day of thinking.

The nurse was a constant attendant and made frequent notations of facts unprejudiced by anyone.

Line 68 of your letter of September 9, 1926, to determine requires a sputum examination and a finding of cocci and their identification before a positive diagnosis is made and the name of the disease can be determined, which was not done in this case for either la grippe, pneumonia, or tuberculosis.

Not to be impartial and having no personal interest for more than what is right and consistent I am constrained to accept the evidence of laymen in preference to the diagnosis which you report as a matter of record. This looks a good deal like a Bible story. When Jacob's mother deceived his father by stripping gloves made of kid skin over Jacob's arms. Jacob went to his father and received his blessing, which was meant for his brother Esau. And when the error was found out his father said it was too late to change the record, as it had been so recorded in Heaven.

Individually, I am glad that I live in the United States of America, and proud am I of her flag, form of government, and people, and in the language of Abraham Lincoln, in 1861, to the slave States, "You have no oath registered in Heaven to destroy the constitutional rights of man, while I have the most solemn one to preserve, protect, and defend."

Lines 27 and 28 of your letter of September 9, 1926. My affidavits stand for what they say. Read them. You have made an effort to bolster up your side of the case by sending out a representative who is well known by some of our townsmen, who were associated with him in a training camp in Alabama, to admit of comment. To bolster up means trust no person but form an opinion through a channel of least resistance; just pass the buck. The soldier may die soon; then all will be ended.

Lines 42-45 of your letter of September 9, 1926: I admit the virulence of the streptococcus hemolyticus as a secondary infection, as found in the laboratory record, but which will not allow you to call it pneumonia in the absence of pneumococcus. The streptococcus hemolyticus are classified after the 24 hours' incubation. The colonies are marked by being encircled by a clear area where the corpuscles have laked and the hemoglobin has been appropriated. The extent of this lake area can not be considered as of value in relation to a qualitative determination.

The pneumococcus are surrounded by an opaque area, and upon examination may show a greater abundance of pneumococcus than streptococcus.

Medical history fails to report all cases as dying of streptococci infection, but a large per cent (45) do die.

Pneumococci are found in the blood within six hours after introduction, and empyema, pericarditis, and other complications may follow rapidly. In any given instance it may be impossible to determine the precise sequence of events. The exact determination of virulence of a bacterial strain is limited by the fact that virulence for one species does not necessarily correspond with the virulence for another, as in pneumonia, in which four types have been made. In type 1 the mortality is 25 per cent. Type 2, 32 per cent. Type 3, 45 per cent. Type 4, 16 per cent. Within these classifications no soluble toxin secreted by the cell during life has yet been demonstrated, but by the disintegration of the cell body, however, by freezing and grinding, by the action of bile salts, or by autolysis yields a solution possessing hemolytic and actual toxic properties, but little is known of the toxic substance. The agglutinative reaction has been of practical value in identifying the types of pneumococci. No excuse should be offered for passing the buck in negligence of a laboratory technician in not finding and reporting the presence of pneumococci in this case, as it is well known that 95 per cent of cases of pneumonia are due to pneumococci. It was not found and therefore could not be reported



as a fact in the case of Julius Charles Rothman; all of which would cause a bacteriologist to doubt the entire laboratory diagnosis as reported in this case.

In line 34 of your letter of September 9, 1926, you call me to account for using "plura," a stenographic error in spelling "pleura." Why should I not speak of this form when you accept the death certificate as evidence, and it is not supported by laboratory report from Mercy Hospital, at Toledo, Ohio, as to finding any pneumococci or an effusion in the pleural cavity, and above all the failure to report and lanceonating pain with every breath in the nurse's hospital record.

Line 49 of your letter of September 9, 1926, read: Nurse's report of frequent spitting of bright red blood and a terrific hemorrhage; the medical profession know this to be hemoptysis.

In pneumonia the lungs become solid, due to an inflammatory engorgement, and at autopsies, we find the lung tissues cut like liver. The hemorrhage from solid congested lungs is not rapid or excessive, the blood being squeezed or osmosed into bronchial tubes, carried to throat by cilia, causing a cough and expectoration of tenacious sputum stained with blood. These hemorrhages in pneumonia are known as red hepatization, the blood is dark and in small quantities. Hemorrhage in la grippe is nearly always nasal or epistaxis.

In line 20 of your letter of September 9, 1926: Pulse rate, as reported by Doctor Clark a short time before entering the hospital with Julius C. Rothman, was 140, temperature 104. See nurse's first record at 9.45 a. m., pulse 124, after an automobile ride and some walking. It is more than likely that Doctor Clark misread his thermometer, as the nurse's next temperature report was still below the Doctor's.

Line 81 and 82 of your letter of September 9, 1926, shows a lapse of memory in the doctor, and more than likely no clinical record was kept.

Line 67 and 68 of your letter of September 9, 1926: To make a determining examination the micrococcus organism must be found, which was not done by the Mercy Hospital technician, so a determining diagnosis of the case of Julius C. Rothman was not made.

Lines 73 and 74 of your letter of September 9, 1926: In trying to introduce a virulent type of pneumonia without findings, with the additional infection of streptococcus hemolyticus and staphylococcus, why not call it tuberculosis with the additional infection of streptococcus hemolyticus and staphylococcus, or again call it a virulent streptococcus hemolyticus and staphylococcus infection?

Line 85 of your letter of September 9, 1926: It is impossible to overcome all of the foregoing, for the want of definite evidence to determine is wanting, in all evidence produced to date.

The duration of la grippe with pleural pneumonia is 7 to 16 days, a much longer period than that of streptococcus hemolytic before a crisis occurs, while that of tuberculosis is from a few months to years.

The Journal of the American Medical Association 74, No. 9, February 28, page 1920: "In influenza complications, Small and Stangl studied the first series of the bacteria; influenza was recovered in 100 per cent, pneumococcus in 72.7 per cent, and hemolytic streptococcus in 9.1 per cent."

Lines 29, 30, 31 of your letter of September 9, 1926: Please read this paragraph again and see if it is not a prophecy and not an assumption by leaving the subject discussed to your good judgment.

Lines 61 to 66, inclusive, of your letter of September 9, 1926: From the foregoing evidence I still maintain from my clinical examination that Veteran Julius C. Rothman died of pulmonary tuberculosis contracted in the service, that he died at the Mercy Hospital, in Toledo, Ohio, 1 year and 10 days after the date of his discharge, January 17, 1920.

It is admitted from a standpoint of clinical medicine that the most important microscopic object for which search is made is the tuberculosis bacillus, which has an acid-fast property requiring special stain technic, which is regularly employed and no errors occur. The bacillus of influenza is usually in great number in the nasal secretions of true influenza and easily identified, but not found in ordinary short attacks of prostration accompanied by coriza.

Line 18 of your letter of September 9, 1926, says a Doctor Miller treated Julius C. Rothman prior to Doctor Clark; for how long and for what is not stated. Thanks. See Doctor Miller's letter attached denying the same; also see B. L. Griffith's affidavit, attached, on interview of Doctor Miller.

I have given considerable space to the pneumonia and additional infections side of this case and have pointed out many points for consideration which will not bear investigation, as well as many fallacies and poor medical knowledge, which makes this case look more like fiction than scientific truths. I will conclude this discussion by reviewing the evidence that favors the diagnosis of pulmonary tuberculosis.

Tuberculosis is not a spontaneous disease, but exists for a considerable period of time. As in this case, its activity and effect was being demonstrated long before the first week in October, 1919, when I made my clinical examination. In many cases it exists in a latent state before characteristic local or constitutional symptoms appear which may develop suddenly and proceed to an early termination, as in this case, an infection of streptococci may have hastened death.

An inherited form of tuberculosis develops in early childhood. In this case it developed soon after being discharged from the service. It was not acquired for compensation, not for the fun of having a disease, as no compensation was asked for during his life, and playing with the tools of death was not his ambition.

His temperature in October, 1919, was a marked symptom. (See my affidavit.) High temperatures are due to the action of some toxins on the nervous centers formed by bacilli. In this case I believe the tubercular bacilli had a firm hold on him from my clinical examination, but was not determined by sputum examination. Pain in chest, not lancinating, a marked symptom, upon coughing. Of this he had plenty. As tuberculosis advances all signs and symptoms of constitutional impairment become evident. (Review my affidavits.)

Read the affidavit of Mrs. Tompkins, landlady of the hotel in which he resided before and after the war. Read the affidavit of the hotel clerk.

His emaciation was profound, heart action accelerated, respiration increased, accompanied with dyspnoea and cyanosis; stomach often intolerant of food, as in this case; late stage insomnia, loss of mental power, and often delirium appears before death unless some intercurrent complication takes hold, as in this case, additional infection of streptococcus hemolyticus is claimed by the laboratory report, and hastens the fatal termination. Pirexia is usually marked in the last stage, 105° to 106° often reached. Pulse 120 to 140. Respiration very rapid, as a rule, between 30 to 60 per minute. Cough is permanent, as in this case, when I examined him, and recognized by laymen, coworkers, and hotel people. (Read their affidavits.) Hemoptyses occasionally and of bright red blood. (Read nurse's affidavit and hospital record.) Only when the meninges are involved do we expect delerium. My clinical examination was made over three months before death of Julius C. Rothman. Lagrippe and pneumonia do not last this long, but tuberculosis will last much longer than three months, even years.

I purposely wish to introduce here the subject, staphylococcus, for reasons you will see—that staphylococcus infections are not uncommon after serious diseases and more frequently found in those afflicted with chronic processes. There is an infection whose predisposing influence predominates all others. I refer to tuberculosis. The lesions caused by it are often overlooked during life, but are found at autopsies and given as a cause of death staphylococcus infection. The pulmonary symptoms and cachexia have been attributed to the staphylococcus alone, until after an autopsy and tuberculosis evidence produced.

No autopsy of Julius C. Rothman was made, even after his short sojourn of 20 hours in Mercy Hospital, where all the opportunities and privileges were at hand, not even a possible objector present, to learn the exact cause of death. I can imagine I hear the M. D. at the hospital say, "He is dead and an autopsy will do him no good, so we will pass the buck." Many doctors have treated patients for a supposed disease and later, often too late, waken up to the fact that they were wrong. I protest against the tendency of attaching undue importance to laboratory examinations, which result in weakening of clinical acumen. Too many laboratories furnish systematically positive or suspected reactions because they think that an interpretation will be more agreeable to the physician.

I am not an enemy of scientific progress, merely desire the continuance of clinical methods of examination to show a little self-knowledge and not depend upon the roentgenologist, chemist, microbiologist, and the pathologic anatomist to furnish a ready-made diagnosis. I believe in consulting the scientific collaborators upon doubtful diagnosis or confirm a grave decision, but the information must fit into a thorough clinical examination or it has no value.

While a great many laboratories do reliable work, many do not, due to incompetent personnel and poor equipment. The public has come to rely on a diagnosis based on laboratory examination, but of late their errors are attracting attention.

Lines 10, 11, 12, and 13 of your letter of September 9, 1926: This veteran was discharged from service January 7, 1919, registered at his hotel, Thompkins, Toledo, Ohio, January 8, 1919; he died January 17, 1920, having been in the hospital only about 20 hours. During all this time he never presented any claim for disability benefits. If you could hear the soldiers talk, you would never allow these words to pass your lips or pen them against a veteran dead or alive. He has too often been insulted by being accused of being a gold bricker by the examiners, and he thinks what are his losses is the Government's gain, which increases the funds to support the regiments of people connected with this department regardless of quality, that a few favored veterans may receive a pittance.

I will answer lines 10, 11, 12, and 13 in the words of his foster mother:

First. That Julius C. Rothman was afraid to ask for compensation for fear of exposing his condition unnecessarily, lest he be discharged by his employer, and as a bread winner be compelled to ask alms or go to the poorhouse.

Second. The time lost in establishing his case would be indefinite, and charity or death would come to him first, or before he could run the line of red tape to satisfy all.

Third, His inability to carry his life insurance should be corroborative evidence enough to satisfy the Government of his poverty.

I must admit that the foregoing answers are too practical to be denied.

In conclusion, permit me to ask a question which I look to be advertised in capital letters all over this land: How many United States Army war veterans are living in almshouses, upon the charity of relatives, and confined in prisons for stealing in preference to starving, feeble-minded homes, and institutions, all due to unnecessary passing the buck and accepting fiction for facts.

I have written this letter to the Veterans' Bureau and to no particular individual, as it may seem in using the pronoun "you."

C. O. BEARDSLEY, M. D.

#### INSURING DEPOSITORS IN BANKS

Mr. BRAND of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks by having the bill which I introduced on the first day of this session of Congress—H. R. 14921—printed in the RECORD. This is a bill for the purpose of insuring depositors in member banks of the Federal reserve system against loss.

The SPEAKER. The gentleman asks unanimous consent to extend his remarks by printing a bill in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. BRAND of Georgia. Mr. Speaker, under leave granted to extend my remarks, I insert the following:

IN THE HOUSE OF REPRESENTATIVES,  
December 11, 1926.

Mr. BRAND of Georgia introduced the following bill; which was referred to the Committee on Banking and Currency and ordered to be printed:

A Bill (H. R. 14921) to amend section 7 of the Federal Reserve Act, as amended, for the purpose of insuring depositors in member banks of the Federal reserve system against loss.

Be it enacted, etc., That section 7 of the Federal reserve act, as amended, is amended to read as follows:

"SEC. 7. (a) That for the purpose of insuring depositors in banks of the Federal reserve system against loss through bank failures there is hereby established in the Treasury a special fund to be known as the depositors' guaranty fund and to be available for direct expenditure by the Federal Reserve Board as provided in subdivisions (e), (f), and (h).

"(b) For the purpose of establishing the depositors' guaranty fund there is hereby authorized to be appropriated a sum not in excess of \$50,000,000. Such sum when appropriated shall be advanced by the Secretary of the Treasury to such fund. Thereafter such Secretary shall advance to such fund, from time to time and within the appropriations therefor, amounts sufficient to maintain such fund at not below \$25,000,000.

"(c) After all necessary expenses of a Federal reserve bank have been paid or provided for the stockholders shall be entitled to receive an annual dividend of 6 per cent on the paid-in capital stock, which dividend shall be cumulative. After the aforesaid dividend claims have been fully met the net earnings shall be paid into the depositors' guaranty fund, except that (1) the whole of such net earnings shall be paid into a surplus fund until it shall amount to 100 per cent of the subscribed capital stock of such bank, and thereafter 10 per cent of such net earnings shall be paid into such surplus fund, and (2) any such net earnings in excess of amounts necessary to maintain the depositors' guaranty fund at \$75,000,000, and to establish and maintain such surplus fund, shall be paid to the United States as a franchise tax.

"(d) Any money paid to the United States under subdivision (c) as a franchise tax shall, in the discretion of the Secretary of the Treasury, be used to supplement the gold reserve held against outstanding United States notes, or applied to the reduction of the outstanding bonded indebtedness of the United States under regulations to be prescribed by such Secretary.

"(e) Whenever a member bank of the Federal reserve system (except a bank the depositors of which are entitled to the benefits of a State law providing for a financial plan to insure bank depositors against loss) is dissolved or placed in the hands of a receiver or liquidating agent, the Federal Reserve Board shall estimate, as soon as is practicable, whether the assets of such bank, together with such amounts as may be realized by enforcing the liabilities of the shareholders, officers, and directors thereof, will be sufficient to discharge such bank's obligations to depositors. Upon the basis of such estimate, the board shall make payments to such depositors, from the depositors' guaranty fund, of amounts which, in the opinion of the board, will not be realized for the benefit of such depositors from such sources. When depositors' claims not satisfied by payments from the depositors' guaranty fund have been paid, such fund shall be entitled to reimbursement, for payments made under authority of this subdivision, from any assets of such bank (including amounts realized by enforcing the liabilities of shareholders, officers, and directors), having,

among the creditors of such bank, the same order of preference the depositors would have had if they had received no payments from such fund.

"(f) If upon final settlement of the affairs of any such bank the assets, together with such amounts as may be realized by enforcing the liabilities of the shareholders, officers, and directors thereof and amounts paid from the depositors' guaranty fund under subdivision (e), are insufficient to discharge such bank's obligations to depositors, the Federal Reserve Board shall pay to such depositors from the depositors' guaranty fund such amounts as may be necessary to make up the deficiency.

"(g) All payments from the depositors' guaranty fund shall be made upon proof satisfactory to the Federal Reserve Board, under such regulations as it may prescribe.

"(h) The Federal Reserve Board, in administering the provisions of this section, is authorized (1) to make such regulations as are necessary to execute the functions vested in it thereby, and (2) to make such expenditures from the depositors' guaranty fund (including expenditures for personal service at the seat of the government and elsewhere) as may be necessary efficiently to execute such functions.

"(i) Should a Federal reserve bank be dissolved or go into liquidation, any surplus remaining, after the payment of all debts, dividend requirements as hereinbefore provided, and the par value of the stock, shall be paid into the depositors' guaranty fund.

"(j) Federal reserve banks, including the capital stock and surplus therein and the income derived therefrom, shall be exempt from Federal, State, and local taxation, except taxes upon real estate."

#### FARM RELIEF

Mr. DICKINSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a short article on farm relief by a prominent citizen of my State.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks on farm relief. Is there objection?

Mr. TILSON. Will the gentleman from Missouri yield? Is this a newspaper article?

Mr. DICKINSON of Missouri. It is by a farmer of my State and also published in my home paper.

Mr. TILSON. But it is from a newspaper?

Mr. DICKINSON of Missouri. Yes, sir; in my county, by an outstanding farmer discussing farm relief and is a very brief article.

Mr. TILSON. It has not been a recent practice of the House, as I recall, to permit extended newspaper articles, editorials, and so forth, to go in the RECORD.

Mr. DICKINSON of Missouri. It is not an editorial, but by a prominent farmer discussing farm relief, and as it is very short I hope there will be no objection.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. DICKINSON of Missouri. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I insert the following article on farm relief:

#### FARM RELIEF

THE HENRY COUNTY DEMOCRAT:

Hot air furiously spouting from political and quite a few other blow-holes, as to the method and means for this relief, and generally the spouts are at random or wide of the mark.

If farmers could shed old party prejudice and immunize themselves against propaganda, they could get together and rout the negroes from their woodpile.

We howl about local taxes and freight rates. Why? When it is a mere drop in the bucket compared with our indirect tax that is collected on every pound and bushel we sell and every item whatsoever that we buy.

There is a 30 per cent tariff on iron and steel. Railroads use immense amounts of it, and they must get the high cost of material out of freight rates or else go out of business. Farmers also use great quantities of iron and steel in implements, fencing, and roofing, and its price is almost prohibitive under present farm incomes. Hence farm buildings and fences are fast going to rack and ruin and merchants lose the sale and profits on these commodities.

It is not so much the low price of what we sell as it is the high price of what we buy that is responsible for bankruptcy and trustee sales.

It is beyond me how farmers can be hoodwinked by a 42-cent tariff on wheat when they must sell at the European price, less freights and commissions.

Not one farmer out of a hundred seems to realize why steel and other protected industries are piling up billions while agriculture is going bankrupt; that the big interests are seating their tools in Congress by the use of astounding sums of money. Nor that the Coolidge Cabinet is made up of millionaires and multimillionaires. That the proposed pro rata rebate of covered income would amount to stupendous sums



for the big wigs who do not need it. A few dollars or cents to ordinary mortals and not a cent to one farmer in a thousand.

When the farmer goes down financially, soon or later all other business is sure to suffer. You think it out.

ILA. J. MARSH.

#### MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

A message in writing from the President of the United States was presented to the House by Mr. Latta, one of his secretaries, who also informed the House that the President did on the following dates approve bills of the following titles:

On December 11, 1926:

H. R. 9039. An act to amend section 8 of the act approved March 1, 1911 (36 Stats. p. 961), entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers";

H. R. 10547. An act to require the filing of an affidavit by certain officers of the United States;

H. R. 10739. An act to prevent purchase and sale of public office; and

H. R. 8128. An act to punish counterfeiting, altering, or uttering of Government transportation requests.

On December 14, 1926:

H. R. 6466. An act for the relief of Edward C. Roser.

On December 15, 1926:

H. R. 11119. An act to alter the personnel of the Public Utilities Commission of the District of Columbia, and for other purposes.

#### MESSAGE FROM THE PRESIDENT

The SPEAKER laid before the House the following message from the President of the United States.

The Clerk read as follows:

*To the Congress of the United States:*

I transmit herewith a report by the Secretary of State on matters concerning the Department of State, required by certain provisions of law enumerated in the report.

CALVIN COOLIDGE.

THE WHITE HOUSE, December 15, 1926.

#### DEPARTMENT OF THE INTERIOR APPROPRIATION BILL

Mr. CRAMTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 14827.

The SPEAKER. The gentleman from Michigan moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 14827.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 14827, with Mr. MICHENER in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill making appropriations for the Department of the Interior for the fiscal year ending June 30, 1928, and for other purposes. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 14827) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1928, and for other purposes.

Mr. CRAMTON. Mr. Chairman, when the committee rose yesterday there was pending a point of order made by the gentleman from Massachusetts [Mr. TREADWAY] against certain language contained in the appropriation bill. I have made some further investigation of that subject, including the merits of the question involved, which I have discussed with Mr. Smith, the general manager of the Alaskan Railroad, and he has urged very strongly the necessity of the language. I also studied the statute to which I hurriedly called the attention of the Chair yesterday, and especially one provision which I urged the authority given to make contracts with other carriers. On further consideration it appears quite possible that that language has reference to a division of charges, and so forth, rather than to the operation of water lines. Therefore I am willing to concede that the point of order is good if it is insisted upon by the gentleman from Massachusetts.

The gentleman from Massachusetts referred to conditions in Alaska, and he knows the capacity of the management of the railroad and their good judgment, and instead of opposing the point of order, which of course I concede, I shall be glad to appeal to the gentleman from Massachusetts to with-

draw his opposition to the language and withdraw his point of order.

Mr. TREADWAY. Mr. Chairman, I did not make the point of order yesterday for the purpose of in any way obstructing the well-being or management of the Alaskan Railroad. It seemed to me that the language as suggested by the committee was very much broader than should have been written to comply with the general rules of legislative procedure. While I objected to the appropriation, which seemed to me beyond what the Alaskan situation demands, and have found a good deal of fault at times with the manner in which governmental affairs are conducted in Alaska, I never have criticized the management of the Alaskan Railroad. On the contrary, I consider that the general manager, Mr. Noel W. Smith, is a most practical railroad man, dealing with a very difficult and discouraging problem, and doing it in a most excellent manner.

I do feel, Mr. Chairman, that we are going, in the phraseology to which I called the attention of the Chair yesterday, beyond the right that we ought to exercise here of now amending the Alaskan Railroad act in order to establish a steamship line. It was on that account that I made the point of order.

I have read the Alaskan Railroad act carefully since the point of order was raised yesterday. That act was approved March 12, 1914; it has to do with the construction of the railroad, not with its operation years after construction. If it is a matter of insistence upon proper parliamentary procedure, I would ask the Chair to rule favorably upon the item to which I called his attention. I realize, however, that in the hands of Mr. Smith such authority as the language of the bill undertakes to give him would not be abused, but would be used for the purpose of further extending transportation facilities in Alaska, which are greatly needed. With the distinct understanding—as of course we all know that no appropriation carries with it more than one year's authority—not withdrawing the right at any future time to renew such a point of order if the language is again used in an appropriation bill, or that any precedent for the future is being established, and in view of the desire of Mr. Smith to use this authority probably for a very brief period of time and while he is himself manager of the Alaskan Railroad, I will yield to the desire of the committee and withdraw the point of order.

Mr. CRAMTON. Mr. Chairman, if the Chair will permit me to speak just a moment, I should like to express my appreciation of the very kindly cooperation of the gentleman from Massachusetts in acceding to our request.

The CHAIRMAN. The situation is this. The gentleman from Massachusetts makes the point of order. The chairman of the committee concedes the point of order. The gentleman from Massachusetts then, after remarks, withdraws the point of order, which the chairman of the committee has conceded. In order that the Record may be clear and that the attitude of the present occupant of the chair be fully understood, let it be stated that the present occupant of the chair is ready to rule on the point of order; but if no one insists upon it, the Clerk will read.

Mr. TAYLOR of Colorado. Mr. Chairman, I want to supplement what the chairman of the subcommittee has said for a moment and say that this provision in the bill is very important to the development of Alaska. We might as well have it in the law that they may not build docks or make further connections with a provision of this kind. In the hands of this man Smith, one of the great railroad men of the world, it will be tremendously efficient. If this item went out, there ought to be immediate legislation extending this power. I join with the gentleman from Michigan in appreciating the action of the gentleman from Massachusetts.

Mr. BLAND. If it is so important, why can it not come from the proper legislative committee?

Mr. TAYLOR of Colorado. I do not join in the expression of the Chair that it is subject to a point of order. I think it is a proper exercise of authority that we have for the development and handling of that railroad. We have as broad an authority as language can give, and I do not think there is anything put in there for the protection of that line of railroad and the protection of the Government's property that this does not strictly conform to.

Mr. BLAND. Does not the gentleman think that as a matter of legislation it ought to come from the proper committee? I make the point of order.

Mr. CRAMTON. I make the point of order, Mr. Chairman, that the point of order of the gentleman from Virginia comes too late, there having been debate on the paragraph.

Mr. BLAND. There has not been any debate on the paragraph.

The CHAIRMAN. The Chair thinks the RECORD will show that the gentleman from Michigan [Mr. CRAMTON] made a statement after the decision of the Chair and that the gentleman from Colorado [Mr. TAYLOR] made some debate. That being true, the point of order made by the gentleman from Virginia comes too late. The Clerk will read.

Mr. SUTHERLAND. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Delegate from Alaska offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SUTHERLAND: Page 94, line 5, after the word "Provided," strike out "\$1,400,000" and insert "\$1,700,000."

Mr. SUTHERLAND. Mr. Chairman, this amendment, if adopted, would mean the restoration of the original Budget estimate. Mr. Smith, the superintendent of the railroad, made his plans for the fiscal year 1928 and submitted his estimates, very carefully made, to the Budget. I understand there was a cut there of about \$100,000, and the cut of \$300,000 made by the committee Mr. Smith feels is too much. The gentleman from Massachusetts [Mr. TREADWAY], as well as the gentleman from Michigan [Mr. CRAMTON], have spoken of Mr. Smith and his peculiar ability as a railroad manager. I want to say that he is a sort of an anomaly among the Alaskan Federal employees. He is what is known as a borrowed man. He was borrowed by the Secretary of the Interior from the Pennsylvania Railroad and to-day is a member of that organization. He is a very careful and conservative man and has presented his estimates for the year 1928 in good faith. The chairman of the subcommittee has said that he could come in during the middle of the year with a deficiency estimate, but he can not very well carry through his carefully prepared plans on the proposition of bringing in a deficiency estimate in the middle of the year.

I realize it is asking considerable of the committee to accede to this amendment, they having made the cut; but I feel that their confidence in Mr. Smith and his conservative method of operating that railroad would warrant them in restoring the Budget estimate.

Mr. BLANTON. Will the gentleman yield?

Mr. SUTHERLAND. I yield.

Mr. BLANTON. The Budget is the special representative of the President of the United States to protect his administration from improper appropriations. The Budget passes upon whether or not proposals will be in accord with the plans and program of the President. The Budget, as I understand it, has approved the \$300,000 the gentleman is asking for and has said that is in accord with the present plans and financial program. The committee has seen fit to go up against the President's financial plans and program and made a cut of \$300,000. Is that the case?

Mr. SUTHERLAND. That is the case; yes.

Mr. BLANTON. I am with the gentleman. I think he ought to have this money.

Mr. SUTHERLAND. I am asking that the Budget estimate be restored. I do not see much difference in bringing in a deficiency estimate of \$300,000 in the middle of the year and placing that amount in the bill at this time, and I do not see why there should be much controversy over it.

Mr. CRAMTON. Mr. Chairman, the gentleman from Texas [Mr. BLANTON] appears to have entirely overlooked what is the fundamental financial program of this administration. The Budget sent to the Congress each year contains the individual items of that program, but the fundamental program is to reduce the expenditures of the Federal Government to the lowest possible figure and no reduction made by the Congress is in opposition to the President's financial program. It always is in entire sympathetic accord with his program.

Now, as to the amendment which has been offered. The item has to do, in the main, with an operating deficit for the Alaska Railroad. Five hundred thousand dollars is for permanent improvements. Two hundred thousand dollars, or more, is for betterments that are practically permanent, but under the Interstate Commerce Commission's rules are not so classified. Seven hundred thousand dollars of the Budget figure was an operating deficit and the committee recommended a reduction of the item by \$300,000, which would leave \$400,000 for the operating deficit. The theory of the committee is this: That an estimate as to an operating deficit is made up, so far as the Budget gets it, almost a year in advance of the opening of the year affected, and almost two years in advance of the close of that fiscal year. The amount of the operating deficit will depend upon the amount of the expenses of operation and the amount of revenues. Both of those figures can not very well be determined exactly in advance. The amount of the oper-

ating expenses can be determined in advance probably more accurately than the amount of the revenues can be determined.

Now, we have to pay the bills incurred by that railroad. We have a management of very high order and of strict integrity, but it seemed to the committee that we should give him \$400,000 of an operating deficit available when the year opens the 1st of July, and then next December, when the year is half over, if he finds that he is not going to be able to get through the year with that amount of money, he can come before Congress and present the situation as it then stands. He can tell better in the middle of the year what the situation is than he can tell a year in advance of the opening of his fiscal year.

I understand that Mr. Smith, the general manager, feels he is restricted and that he must fit his expense program in accordance with that figure, assuming that his revenues are going to be as they are now, but the idea of the committee is that he will carry on his operating expenses as he has planned and in such a way as not to let the railroad deteriorate. He says his present expense program is on that theory and can not be reduced. We do not ask him to reduce that; we simply ask him to take the money and then in the middle of next year, when he knows what the revenues are, he can come in and present his case. The committee, therefore, does not feel that the amendment should be accepted.

Mr. BLANTON. Mr. Chairman, I move to strike out the paragraph. Here are the facts, and the gentleman from Michigan will not deny them: Mr. Smith placed his estimates before the Budget and put his cards on the table and said, "Here is my program." The Budget, in effect, said, "You have asked for \$100,000 more than is in accord with the President's financial plan; we are going to cut you down \$100,000." They did cut him down \$100,000, but as to the other estimates which he submitted, they allowed them and they sent them to Congress as being in accord with the President's financial plans and programs. The committee, in effect, stepped in and said, "We do not agree with the President's representative, the Budget," and the committee sliced off another \$300,000.

I am one of those who do not believe in the operation of railroads by the Government. I do not believe the Government ought to be in the railroad business. I do not believe the Government ought to be in any kind of private business. That is my idea, and if I had been here when the proposal was made for the Government to build this railroad in the first place, I would have voted against it; but when the Government has built the railroad and when the Government is attempting to operate it, it ought to operate it on business principles, and no one has said that Mr. Smith is not an expert in the railroad business. No one has said that Mr. Smith does not know what he is talking about when he has asked for this money. No one has said that the Budget has not been qualified to pass upon his requests, when it gives him the \$300,000 which this committee has stepped in and cut off.

This is the situation: Our friend from Michigan [Mr. CRAMTON] has pleased three of his friends. To our friend concerned with the Baker project out in Oregon he has given \$450,000 which the Budget turned down and said was not feasible because the Secretary of the Interior said "If Congress wants to pass it, it will have to assume the responsibility itself." The gentleman pleased another one of his friends by putting in \$400,000 for the Gooding proposition, and then he pleased another friend by putting in \$400,000 for another proposition that was not authorized by the Budget; and to make up for this \$1,250,000 that he has added to the bill which the Budget did not recommend, he was forced to slice the Budget recommendations in some particular to keep within the Budget total. These are the facts. Will the gentleman deny them?

Mr. CRAMTON. What appears to me more clearly is that because the House decided adversely to the gentleman's position on the Baker matter, now the gentleman has to fight the committee all the way along the line.

Mr. BLANTON. Yes; and the gentleman is backed up by his committee moguls here and that is why it was done.

Mr. CRAMTON. But I will answer the gentleman's question. He is entirely in error.

Mr. BLANTON. In what particular?

Mr. CRAMTON. Absolutely, all the way along.

Mr. BLANTON. Well, I submit the bill and the Budget as my proof.

Mr. CRAMTON. As to the Reclamation Service, the total recommended by the committee is \$564,200 below the Budget figures.

Mr. BLANTON. Did not Smith ask for \$100,000 more?

Mr. CRAMTON. And we did not have to go to any other item.



Mr. BLANTON. Wait; let us see if I am right. Did not the Budget cut down Mr. Smith by \$100,000 of the amount he asked?

Mr. CRAMTON. I do not know.

Mr. BLANTON. Well, I do know; they did. And did not the Budget recommend \$300,000, which the gentleman's subcommittee has also cut out of this bill? Did they not do that?

Mr. CRAMTON. Yes.

Mr. BLANTON. The gentleman admits that. Is not Mr. Smith an expert railroad man? The gentleman admits that. He has admitted my facts, because he has nodded his head in assent. [Laughter and applause.]

Mr. CRAMTON. If the gentleman will yield, yes; I admit the gentleman's facts, but not his errors.

Mr. BLANTON. The error is that I got under the gentleman's skin by showing that he put in his bill \$1,250,000 that the Budget had turned down. That is what is hurting the gentleman. [Laughter.]

I was one of those who voted for the Budget. This Government can not be run without a Budget. When we come to a \$4,000,000,000 Congress every year, we must have a Budget. The President of this great Nation can not otherwise keep appropriations within proper bounds.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. Mr. Chairman, I want two minutes more to finish this statement.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CRAMTON. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in eight minutes, which gives two minutes to the gentleman from Texas, five minutes to the gentleman from Alaska [Mr. SUTHERLAND], and I will keep one minute for myself.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that all debate on this paragraph and all amendments thereto close in eight minutes, the time to be consumed as indicated by the gentleman. Is there objection?

There was no objection.

Mr. BLANTON. Why, if the President of the United States did not have a Budget to map out his financial program, he could not keep the expenses of this Government within bounds at all. Having a Budget does not interfere with the discretion that we Members of Congress exercise as representatives of the people and holders of the purse strings. We can either vote these Budget recommendations up or down as we please. What I have been inveighing against is for the Committee on Appropriations, into whose exclusive hands we place this power, to come in here and at will override the Budget whenever it wants to, and whenever somebody else wants to do so in some small particular, to bring in their 35 members on the floor here and override Congress.

The Committee on Appropriations knows that when we have these supply bills under consideration in the Committee of the Whole House there are very few Members here comparatively. We rarely ever have more than 100 Members present, and they know that if some Member comes in and tries to override the committee on a proposition, in their places here and there on the floor, both the majority and the minority members of this committee rise in their places and back up the committee.

The CHAIRMAN. The time of the gentleman from Texas has expired, and the question is on agreeing to the amendment offered by the gentleman from Alaska.

The question was taken, and the amendment was rejected.

Mr. SUTHERLAND. Mr. Speaker, I have another amendment, which I offer.

The Clerk read as follows:

Page 94, line 10, after the word "that," strike out the figures "\$500,000" and insert in lieu thereof "\$400,000."

Mr. SUTHERLAND. Mr. Speaker, the \$300,000 cut is taken entirely from the item of maintenance of the road, the upkeep, and operating expenses. The amount for capital expenditures, \$500,000, remains intact. This amendment does not affect the appropriation at all, it simply takes \$100,000 from the item of capital expenditure and places it under operating expenses. That is, two-thirds of the cut under the amendment would be borne in operating expenses and maintenance of way and one-third, or \$100,000, would be borne by capital expenditures. It means a transfer of \$100,000 from one item of expenditure to another.

Mr. LA GUARDIA. Is the operation of the railroad being hampered in any way?

Mr. SUTHERLAND. It will be hampered in the operation of the road if this cut of \$300,000 goes through.

Mr. LA GUARDIA. The gentleman's amendment is to provide \$100,000 for operating expenses.

Mr. SUTHERLAND. Yes; if you take it from the capital-expenditure item and place it under the item for operating expenses.

Mr. LA GUARDIA. And the only access that people have to this part of the country by passenger or freight is this railroad.

Mr. SUTHERLAND. Yes.

Mr. CRAMTON. Mr. Chairman, I think this matter had better be allowed to stand as it was recommended, that \$500,000 should be set apart for permanent improvement, and if the management desires to present further information at the other end of the Capitol it can do so. The House, of course, will give consideration to anything that comes before it, but, in the light of present information, I do not think it desirable that the amendment should be accepted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alaska.

The question was taken and the amendment was rejected.

The Clerk read as follows:

#### TERRITORY OF HAWAII

Governor, \$10,000; secretary, \$5,400; in all, \$15,400.

Mr. LA GUARDIA. Mr. Chairman, I move to strike out the last word. I ask unanimous consent to proceed out of order for two minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed out of order for two minutes. Is there objection?

There was no objection.

Mr. LA GUARDIA. Mr. Chairman, there is considerable misunderstanding among Members as to the method of the Treasury Department in treating certain surplus funds. I believe there is a good deal of confusion in the minds of Members as to how they are treated. I wrote to the Secretary of the Treasury asking him directly how he would apply a surplus fund in the Treasury not needed for current expenses of the Government, and if that would be applicable to the reduction of the debt. I will put in the RECORD my letter and his reply, and I am glad to announce that on the 15th day of December, to-day, \$225,000,000 surplus in the Treasury will be applied to the reduction of the national debt. [Applause.]

The following are the letters referred to:

DECEMBER 13, 1926.

HON. ANDREW W. MELLON,

*Secretary of the Treasury, Washington, D. C.*

MY DEAR MR. SECRETARY: It is my understanding that available surplus in the United States Treasury at the end of the fiscal year automatically is used for the reduction of the national debt. Some of my colleagues are under the impression that the use of surplus funds for that purpose is discretionary with you. I desire to inquire if it is your intent to apply the available surplus which will be on hand June 30, 1927, for the reduction of the national debt or to hold said surplus as a surplus fund pending action of Congress in 1928 on further tax reduction. In other words, is it your purpose to hold the surplus and in the event that Congress should reduce taxes in 1928 to use the then surplus for current expenses?

In as much as I have had many inquiries on the subject, I will greatly appreciate an early reply.

Yours sincerely,

F. H. LA GUARDIA.

THE UNDERSECRETARY OF THE TREASURY,

*Washington, December 14, 1926.*

MY DEAR CONGRESSMAN: I have your letter of December 13 to Secretary Mellon referring to the automatic use of the surplus to the reduction of the national debt. The situation works out this way: The Treasury has maturities to meet on the 15th of the month in March, June, September, and December. Normally a part of these maturities have to be refunded. In determining how much refunding is necessary the Treasury considers its cash on hand, its expected receipts for the succeeding quarter, and its expected expenditures for that period, and borrows for refunding purposes only enough to carry it to the next quarterly date. The reason for this is obvious, since it is undesirable for the Treasury to borrow money at 3½ per cent and then to leave it in the banks, where it receives 2 per cent interest. An example of how surplus goes into debt reduction can be seen in to-morrow's operations. On the 15th of December some \$450,000,000 of certificates mature. The Treasury has taken into account its cash, which was Saturday some \$124,000,000, its expected receipts from taxes during the next three months in excess of expenditures, the payments on the foreign debts which come in to-morrow, and has determined that by

selling something over \$200,000,000 of new certificates we can carry on the Government into the month of March. Our actual sales of new certificates will be \$229,000,000 and the certificates redeemed are \$452,000,000, so automatically on the 15th our debt will be reduced about \$225,000,000. The situation is similar to that of a man who owed considerable money to his bank on a 90-day note. As the maturity came around he would use the extra cash he had to reduce his indebtedness and renew the balance.

If the situation should be reversed and it was determined that the expenditures per quarter would exceed the receipts, then the Treasury would have to sell a larger amount of securities than it paid off and the debt would increase. You can see that the whole operation is practically automatic.

Very truly yours,

GARRARD B. WINSTON,  
*Undersecretary of the Treasury.*

Hon. F. H. LaGUARDIA,  
*House of Representatives, Washington, D. C.*

The Clerk read as follows:

ST. ELIZABETHS HOSPITAL

For support, clothing, and treatment in St. Elizabeths Hospital for the Insane from the Army, Navy, Marine Corps, Coast Guard, inmates of the National Home for Disabled Volunteer Soldiers, persons charged with or convicted of crimes against the United States who are insane, all persons who have become insane since their entry into the military and naval service of the United States, civilians in the Quartermaster's service of the Army, persons transferred from the Canal Zone who have been admitted to the hospital and who are indigent, and beneficiaries of the United States Veterans' Bureau, including not exceeding \$27,000 for the purchase, exchange, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles for the use of the superintendent, purchasing agent, and general hospital business, \$804,000, including maintenance and operation of necessary facilities for feeding employees and others (at not less than cost), and the proceeds therefrom shall reimburse the appropriation for the institution; and not exceeding \$1,500 of this sum may be expended in the removal of patients to their friends, not exceeding \$1,500 in the purchase of such books, periodicals, and newspapers, for which payments may be made in advance, as may be required for the purposes of the hospital and for the medical library, and not exceeding \$1,500 for actual and necessary expenses incurred in the apprehension and return to the hospital of escaped patients: *Provided*, That so much of this sum as may be required shall be available for all necessary expenses in ascertaining the residence of inmates who are not or who cease to be properly chargeable to Federal maintenance in the institution and in returning them to such places of residence: *Provided further*, That during the fiscal year 1928 the District of Columbia, or any branch of the Government requiring St. Elizabeths Hospital to care for patients for which they are responsible, shall pay by check to the superintendent, upon his written request, either in advance or at the end of each month, all or part of the estimated or actual cost of such maintenance, as the case may be, and bills rendered by the Superintendent of St. Elizabeths Hospital in accordance herewith shall not be subject to audit or certification in advance of payment; proper adjustments on the basis of the actual cost of the care of patients paid for in advance shall be made monthly or quarterly, as may be agreed upon between the Superintendent of St. Elizabeths Hospital and the District of Columbia government, department, or establishments concerned. All sums paid to the Superintendent of St. Elizabeths Hospital for the care of patients that he is authorized by law to receive shall be deposited to the credit on the books of the Treasury Department of the appropriation made for the care and maintenance of the patients at St. Elizabeths Hospital for the year in which the support, clothing, and treatment is provided, and be subject to requisition by the disbursing agent of St. Elizabeths Hospital, upon the approval of the Secretary of the Interior.

Mr. BLANTON. Mr. Chairman, I move to strike out the paragraph.

Mr. CRAMTON. How much time does the gentleman want?

Mr. BLANTON. Mr. Chairman, I have asked the chairman in charge of the bill and the ranking minority member about discussing this item. They indicated they would not be unwilling that I should have some time on this item. Under the circumstances, if my colleagues would permit, I would like to have 20 minutes in which to discuss it. Therefore I ask unanimous consent that I may proceed for 20 minutes.

Mr. CRAMTON. Mr. Chairman, will the gentleman withhold that request and permit me to make a request?

Mr. BLANTON. Certainly.

Mr. CRAMTON. Mr. Chairman, I ask unanimous consent that all debate upon this paragraph and all amendments thereto close in 25 minutes, of which the gentleman from Texas shall have 20 minutes and I 5 minutes.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that all debate upon this paragraph and all

amendments thereto be closed in 25 minutes, 20 minutes to be used by the gentleman from Texas and 5 minutes by the gentleman from Michigan. Is there objection?

Mr. LaGUARDIA. Mr. Chairman, reserving the right to object, it seems to me hardly fair to make such an arrangement. We do not know what facts will be brought out by the gentleman from Texas, and to limit debate to five minutes after that and foreclose any Member from taking up any further time seems to me unfair.

Mr. CRAMTON. Does the gentleman want some time?

Mr. LaGUARDIA. No.

Mr. CRAMTON. If the gentleman desires five minutes, I would be willing to include him in the request. I am trying to make progress on the bill. The gentleman will understand that in permitting the gentleman from Texas to take 20 minutes we are departing somewhat from the rules.

Mr. LaGUARDIA. I know that.

Mr. CRAMTON. I am frank to say that I have no desire to enter upon a half day's discussion of St. Elizabeths Insane Asylum.

Mr. BLANTON. I have made a considerable study of this subject.

Mr. CRAMTON. But the gentleman from Texas can sometimes start enough commotion in a speech to cause several Members to make speeches.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. SCHAFER. Mr. Chairman, I object. This is an important proposition.

Mr. CRAMTON. Then I shall have to object to the gentleman having 20 minutes.

Mr. BLANTON. Oh, this is a matter that I have given considerable study to.

Mr. SCHAFER. Mr. Chairman, in order that the gentleman from Texas may have 20 minutes, I withdraw my objection.

Mr. LaGUARDIA. Then I ask for five minutes after that time. I do not think that I shall use it.

Mr. CRAMTON. Mr. Chairman, I modify my request to make it 30 minutes.

The CHAIRMAN. The gentleman from Michigan modifies his request to make it 30 minutes, 5 minutes of the time to be consumed by the gentleman from New York [Mr. LaGUARDIA]. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Chairman and gentlemen, you will notice that of the \$804,000 which is carried in this paragraph, which you are turning over to Dr. William A. White, Superintendent of St. Elizabeths Insane Asylum, to expend, it is provided on page 95, beginning in line 2, that part of it is for the care of "all persons who have become insane since their entry into the military and naval service of the United States, beneficiaries of the United States Veterans' Bureau," and others. That does not mean that they are men who have been adjudged insane by due administration of law. That means men whom the Secretary of the Navy says shall be put in an insane asylum for life on his mere signature whenever he gets ready. It means men in the Army whom the Secretary of War says must spend their time in an insane asylum on his order merely, without judicial ascertainment. It means veterans who are in your old soldiers' homes, whom the superintendent may recommend to go in and the chief of the department says shall go in the insane asylum, under his signature, without a trial in court. It means ex-service men who served our Nation in the World War in France, because they are shell shocked, may on the order of the Director of the Veterans' Bureau be locked up behind bars in an insane asylum without any ascertainment of law or a chance to be heard.

That is the most remarkable situation, indeed. Your Gibson committee, composed of three Republicans and two Democrats, made an investigation of this insane asylum. They spent days and weeks of hard work upon it and have filed here in Congress, under the authorization which put them to work, a unanimous report. Every member of that committee signed it; and let me show you our unanimous report. This report is signed by our colleagues, Hon. E. W. GIBSON, a distinguished lawyer of Vermont; by Hon. FRANK L. BOWMAN, a distinguished lawyer of West Virginia; by Hon. ROBERT D. HOUSTON, a distinguished lawyer of Delaware; by Hon. RALPH GILBERT, of Kentucky, who has been a distinguished jurist in his State; and it was signed also by your humble servant. It is a unanimous report, and here is what it says:

The United States Government uses St. Elizabeths Hospital for the care of its insane. Patients are committed upon a written order of the War Department, the Navy Department, the Public Health Service, the Veterans' Bureau, or other governmental agencies.



Now listen carefully to this most remarkable finding of fact quoted from this unanimous report of your committee:

Of the 4,400 patients detained at St. Elizabeths, about 50 per cent of them have never been adjudged insane.

Is not that simply outrageous? That 2,200 Americans should be locked up behind bars for life in an insane asylum, without ever having the chance of proving their sanity by a jury of their peers? For many are kept incommunicado and have no means of obtaining redress in court.

#### PROPOSED CORRECTIVE LEGISLATION

Our committee, in this unanimous report, recommended to Congress that corrective legislation be passed. Let me read what our committee proposed:

The subcommittee is of the opinion that specific laws should be enacted covering the commitment of people claimed to be insane, and the subsequent determination of insanity by proper court proceedings in order to safeguard constitutional guaranties and protect the public at large. To meet this situation the subcommittee proposes House bill 12173, now before the full committee.

That ought to be the most important legislation before this Congress. We should not permit anything else to sidetrack it. I hope that all of you colleagues will help us pass it.

#### INSANE ASYLUMS WORSE THAN PENITENTIARIES

When a man goes to the penitentiary he is sent for a definite term, and when his sentence expires he is free again, and in many instances society forgives him and he finds a place again. But when a man is sent to the insane asylum it is for life, and he can never remove the blot from his life. However sane he is, he may go into court and regain his freedom, but the world never forgets that he has been in an insane asylum, and his every act is criticized and looked upon with suspicion.

#### ARMY SHOULD NOT HAVE THIS POWER

The Secretary of War should not have the power to send a man to an insane asylum without giving him a hearing in court.

#### DEPARTMENT OF JUSTICE SHOULD NOT HAVE IT

The Department of Justice should not have the power to send a man to an insane asylum without giving him a trial before his peers. There are now some men in this St. Elizabeths Insane Asylum whose terms in the Federal penitentiary have long since expired, and who are sane, and who are still kept incarcerated in this insane asylum by order of the Department of Justice.

#### NAVY SHOULD NOT HAVE THIS POWER

The Secretary of the Navy should not have the power to send a man to an insane asylum without having him regularly adjudged insane in a competent court.

There are many jealousies existing in the Army and many in the Navy. Some stand in the way of others. Some are not liked socially. Some are not docile. Some would get promotions that others want. Imagined discourtesies exist. Spleen exists. Hatreds exist. Vengeance must be had. And many men are railroaded into St. Elizabeths by the Army, the Navy, the Veterans' Bureau, and the Department of Justice.

St. Elizabeths Insane Asylum has become the clearing house for all of the envy, jealousy, spleen, malice, and hatred that exists in the personnel of the United States Army and the United States Navy.

I have in mind a splendid young man who has been 20 years in the naval service. He is a lieutenant commander. He ranks with a major in the Army. I understand he will become a commander next year if he is not sidetracked, and there has been an effort made for over a year to put him out of business, and he is in the insane asylum now, and this very morning, in the presence of Doctor Main, the leading physician over there, and in the presence of Senator GEORGE, of Georgia, I put this man through a rigid examination that led back to the day he was born, and I never heard a man give more intelligent answers to every question I propounded to him. That man is no more insane than you are.

Mr. Chairman, I ask the Clerk to read this affidavit in my time.

Mr. SUTHERLAND. By whom was he committed?

Mr. BLANTON. He was committed by order of the Secretary of the Navy.

The CHAIRMAN. Without objection, the Clerk will read the affidavit.

There was no objection.

The Clerk read as follows:

#### AFFIDAVIT OF MRS. BETTY SANDLIN

##### THE DISTRICT OF COLUMBIA:

I, Mrs. Betty Sandlin, being sworn, upon oath state: I am the wife of Lieut. Commander Harry Till Sandlin, who for 20 years has been in the United States Navy; I am 22 years of age, and married Commander Sandlin in Constantinople on the 1st day of August, 1922, and have lived with him continually since then as his wife; Commander Sandlin separated from his first wife about 14 years ago, and each year until 1924 paid her a certain portion of his salary, and since he stopped paying her in 1924 she has been trying to give him all the trouble she could, and has caused friction between him and the Navy. In February, 1925, in Key West, Doctor Dockery (?), of the Navy, told me that they intended to retire my husband, and in 1925 they had him brought before a retiring board, at which hearing I testified and told what Doctor Dockery had said to me, and they could not retire him, as they were not able to prove any reasons therefor, and my husband then defended himself against such proposal; but they sent my husband to the naval hospital in Washington for observation, and threatened to send him to St. Elizabeths. They could find nothing wrong with my husband and finally sent him back to duty in Philadelphia, and his commanding officer reported that his work was first class; because my husband insisted on having an investigation, they sent him to St. Elizabeths Hospital, which is an insane asylum, on November 8, 1926, where he now is, and where they have kept him ever since; he has been given to understand that if he will agree to being retired they will release him from the hospital; there is nothing whatever wrong with my husband; his mind is clear and he is perfectly sane, and he is in no way mentally afflicted; he is not a graduate of Annapolis; my husband's sister, Mrs. W. A. Mattice, of 1307 Chamberlain Avenue, Chattanooga, Tenn., with the approval of myself and husband, requested the Navy Department to send her a "comprehensive and detailed report of his present condition, and circumstances leading up to his present status, and copies of reports of all investigating boards," and on November 18, 1926, the Secretary of the Navy refused, claiming that same were confidential, after which my husband, in writing, requested that such be sent his sister, but they have not been furnished her. I feel that my husband is being unjustly and unmercifully persecuted, and I appeal to the Congress of the United States to see that we get justice.

BETTY SANDLIN.

Sworn to and subscribed by the said Mrs. Betty Sandlin before me this the 14th day of December, A. D. 1926. Given under my hand and seal of office in the District of Columbia.

[SEAL.]

W. G. LADD.

Notary Public in and for the District of Columbia.

(My commission expires August 26, 1929.)

Mr. BLANTON. I want the Clerk now to read an affidavit from an eminent scientist of the United States, Dr. S. F. Acree. I have known him for over 30 years. He and I entered the State University together in 1892. He knows this Commander Sandlin well. He has been his neighbor and friend. He lives in Washington now, and I want you to hear the affidavit.

The CHAIRMAN. Without objection, the Clerk will read the affidavit.

There was no objection.

#### AFFIDAVIT OF DR. S. F. ACREE

##### THE DISTRICT OF COLUMBIA:

I, Dr. S. F. Acree, being sworn, upon oath state: I am a native of the State of Texas, entered the University of Texas in 1892, and am a graduate of that institution, and am also a graduate of the University of Chicago, and am now engaged in scientific work and live at 1756 Q Street NW., Washington, D. C. During 1925 I lived at 1704 Q Street and we took our meals at 1754 Q Street NW., Washington, D. C., and for over three months we, my wife and I, were thrown in daily communication with Commander Harry Till Sandlin, of the United States Navy, and his wife, Mrs. Betty Sandlin, and we saw each other at least twice each day, and sometimes many times each day, and frequently had our meals together; and this relationship existed during all of the time that Commander Sandlin was under observation by the naval hospital here in Washington; on account of such treatment accorded him, I specially and closely observed Commander Sandlin, with the view of forming my own conclusion of whether he was mentally afflicted, and I reached the conclusion that there was nothing whatever wrong with his mind and that he was in no way afflicted mentally; his mind was clear at all times and I considered him a brilliant man and unusually well poised; and since he was placed in St. Elizabeths Hospital on November 8, 1926, I have been to see him many times and have talked with him on many subjects, and have closely observed him, and there is no change whatever in his mental condition; and in my judgment there is now nothing whatever wrong with his mind and he is in no way mentally afflicted. During one of my visits to St. Elizabeths Hospital to see Commander Sandlin I met Doctor Ziegler, who is in charge of the naval hospital here in Washington, and Doctor Ziegler in substance gave me to understand that if Commander Sandlin would agree to the

Navy retiring him that he would be released shortly from St. Elizabeths; in my judgment Commander Sandlin is in every way, physically and mentally, able to perform his duties. I am in no way related to Commander Sandlin, but am interested in seeing that he is not treated unjustly.

Dr. S. F. ACREE.

Sworn to and subscribed before me by Dr. S. F. Acree, on this 14th day of December, A. D. 1926. Given under my hand and seal of office in Washington, D. C.

[SEAL.]

W. G. LADD,

Notary Public in and for the District of Columbia.

(My commission expires August 26, 1929.)

Mr. BLANTON. I now want to have read to you by the Clerk an affidavit from Mrs. Ruby J. Acree, who, also, has been their neighbor, companion, and friend during this time. The CHAIRMAN. Without objection, the Clerk will read the affidavit.

There was no objection.

The Clerk read as follows:

**AFFIDAVIT OF MRS. RUBY J. ACREE**

THE DISTRICT OF COLUMBIA:

I, Mrs. Ruby J. Acree, being duly sworn, upon oath, state: I am a native of Virginia and am the wife of Dr. S. F. Acree; I have read the affidavit made by him regarding the condition and treatment of Commander Harry Till Sandlin, and I know that same is true and correct; I have never observed anything wrong with Commander Sandlin and believe that he is mentally sound and is in no way mentally afflicted; I consider him unusually well poised; I am in no way related to them, but feel sorry for Mrs. Betty Sandlin, who is a young girl 22 years of age.

RUBY J. ACREE.

Sworn to and subscribed by the said Mrs. Ruby J. Acree before me this the 14th day of December, A. D. 1926. Given under my hand and seal of office in Washington, D. C.

[SEAL.]

W. G. LADD,

Notary Public in and for the District of Columbia.

(My commission expires August 26, 1929.)

**FIRST WIFE CAUSED HIM TROUBLE**

Mr. BLANTON. Now, I happen to know that Lieut. Commander Harry T. Sandlin after he separated with his first wife in 1914 paid her \$85 per month out of his salary from 1914 until 1920, when he was divorced, and then after being divorced he paid her about four or five thousand dollars between 1920 and 1924, and she has caused him much trouble with the Navy.

His present wife has been married to him for four years and is a little slip of a girl only 22 years old and has two children and has been suffering agonies ever since they began persecuting her husband, and especially so since they put him in St. Elizabeths last month.

**SISTER DENIED REQUESTED INFORMATION**

Mrs. W. A. Mattice, of 1307 Chamberlain Avenue, Chattanooga, Tenn., is a sister of Commander Sandlin, and she demanded copies of his record and case and was turned down by the following letter:

DEPARTMENT OF THE NAVY,  
OFFICE OF THE SECRETARY,  
Washington, November 18, 1926.

Mrs. W. A. MATTICE,  
1307 Chamberlain Avenue, Chattanooga, Tenn.

DEAR MADAM: Receipt is acknowledged of your letter of November 11, in which you desire a comprehensive and detailed report regarding the present condition of your brother, Lieut. Commander H. T. Sandlin (S. C.), United States Navy, a complete review and report of all the circumstances leading up to his present status, copies of the reports of investigating boards handling your brother's case, and information as to whether or not he has had a regular hearing or investigation in accordance with Navy Regulations, and the result of such reports.

Your brother has been accorded all his rights in connection with his present status as required by Navy Regulations. The department regrets, however, that it is unable to furnish the information you request, inasmuch as such information forms part of the official record of Mr. Sandlin and is therefore confidential. It is for official use of the department only and can not be given to any other except by order of the officer himself or by order of a court in case such information should be necessary and material in a case on trial before it.

It is true that your brother was recently placed in St. Elizabeths Hospital. If you address a letter to the superintendent of that institution, you will no doubt be able to ascertain the present condition of his health.

Very respectfully,

CURTIS D. WILBUR.

I was promised yesterday by the Secretary of the Navy that he would furnish me a copy of this man's record, but I have not yet received it.

**CASE OF LIEUT. FRANK D. ALLEN**

You will remember, gentlemen, that last May I called your attention to another naval officer wrongfully committed to this St. Elizabeths Insane Asylum by the Navy Department, when he was perfectly sane. Doctor White, and his assistant, Doctor Noyes, tried in every way possible to prevent Allen from having a hearing before our committee. I forced them to bring him before us, and it may be interesting to you for me to quote a few excerpts from the hearings to show you the attitude of the St. Elizabeths officials, which I now do:

Mr. GIBSON. The committee will be in order. Do you wish to proceed?

Mr. BLANTON. Yes.

Mr. Allen, will you come around here?

**STATEMENT OF FRANK D. ALLEN**

Doctor NOYES. May I ask that that examination of patients be in executive session? It seems hardly fair to exploit helpless patients whom we believe to be suffering from mental disease, before the public.

Mr. BLANTON. \* \* \* It does not behoove the St. Elizabeths administration to come here now and demand a closed session. It does not look well for Doctor White to demand it. It does not look well for Mr. Fenning to demand it. It does not look well for Doctor Noyes to demand it, who is really the active man who does all the business out in St. Elizabeths for Doctor White.

Now, Mr. Allen, do you want an open meeting or a closed one?

Mr. ALLEN. I want an open meeting.

Mr. BLANTON. You want your meeting to be held before the people?

Mr. ALLEN. Before the people.

Mr. BLANTON. You don't want us to stay in here and close all these people out?

Mr. ALLEN. No, sir; I do not.

Mr. BLANTON. Mr. Chairman, I move that we pay no attention to Doctor Noyes' suggestion. \* \* \* Here is a man who is a retired lieutenant of the United States Navy. He has the rank of captain in the United States Army. He will take care of himself here. Doctor Noyes need not be uneasy about anybody exploiting this man.

Mr. ALLEN. I have a good record.

Mr. BLANTON. There will be no danger about his being embarrassed.

Doctor NOYES. I should like to say that when I am asking this it is only for the protection of these patients.

Mr. GIBSON. You wanted to give us a diagnosis of their cases?

Doctor NOYES. Yes; a diagnosis.

Mr. BLANTON. I want this committee to diagnose these cases, and I want the people of Washington to diagnose them.

Doctor NOYES. You see, the proper nature of their diseases can not be explained to the committee, I believe, unless it is explained by some one who has had professional training.

Mr. BLANTON. That will come later. I make a point of order that this—

Mr. GIBSON. He is a doctor and it would not be out of order—

Mr. BLANTON. Your defense can come in later.

Mr. GIBSON. This is not exactly in the nature of a defense.

Mr. BLANTON. Yes, it is.

Mr. GIBSON. It is an explanation of their situation and their condition.

Mr. BLANTON. I see that they have brought their manhandler here—Taylor—on whom Strangler Lewis hasn't anything at all. I will put him up against Strangler Lewis any day.

Mr. ALLEN. He choked me many times.

Mr. GIBSON. Would it not be better to let these men testify and then you will have an ample opportunity to go into their condition?

Doctor NOYES. So long as we can explain their condition to the committee and let them know—

Mr. GIBSON. In the orderly process they are entitled to be heard first.

Doctor NOYES. Yes.

Mr. GIBSON. I want to say to the doctor that after the examination is over, if he wants to ask the gentlemen any questions, I think the committee will be inclined to permit him.

Mr. BLANTON. If they are not such as will exploit and embarrass him, I will not object.

Mr. ALLEN. I am not afraid of being embarrassed.

And I had all the trouble shown above, before I could bring the testimony of Lieutenant Allen before our committee. It convinced his hearers that he was sane. I will quote just a few excerpts from it:

Mr. BLANTON. Lieutenant Allen, when you entered the Navy, you did not come up to be a lieutenant through Annapolis?

Mr. ALLEN. No, sir.

Mr. BLANTON. You came up from the ranks?

Mr. ALLEN. I came up through the ranks.

Mr. BLANTON. How many trips across the water did you make during the World War?



Mr. ALLEN. Counting going back and forth I made 20.  
 Mr. BLANTON. Twenty?  
 Mr. ALLEN. Yes. Bringing soldiers back and bringing them over.  
 Mr. BLANTON. To what does the grade of lieutenant in the Navy correspond in the Army?  
 Mr. ALLEN. Captain.  
 Mr. BLANTON. You retired on retired pay when?  
 Mr. ALLEN. In 1923, September 13.  
 Mr. BLANTON. Did you ever live with Mrs. Anna Smith of Chester, Pa.?  
 Mr. ALLEN. Yes.  
 Mr. BLANTON. How long?  
 Mr. ALLEN. I lived there practically two years.  
 Mr. BLANTON. You gave her your bank check for \$1,000?  
 Mr. ALLEN. Yes; a thousand dollar bank check.  
 Mr. BLANTON. She had the check paid?  
 Mr. ALLEN. Yes; she had the check paid.  
 Mr. BLANTON. For a cash payment on some property?  
 Mr. ALLEN. As a cash payment.  
 Mr. BLANTON. How much was the value of this property that you were buying?  
 Mr. ALLEN. \$3,800.  
 Mr. BLANTON. That is, you paid a thousand dollars?  
 Mr. ALLEN. A thousand dollars as a deposit.  
 Mr. BLANTON. And you still owed \$2,800?  
 Mr. ALLEN. Yes.

Mr. BLANTON. Did you say that you paid somebody the sum of \$300?  
 Mr. ALLEN. I sent Tracy & Pearl \$300.  
 Mr. BLANTON. Tracy & Pearl was a real estate firm?  
 Mr. ALLEN. Yes. He is very wealthy. He is a very good friend of mine.  
 Mr. BLANTON. The case papers down here show that Mr. Fenning has come into court and asked permission to bring suit against this Anna Smith to get your \$1,000 back.  
 Mr. ALLEN. He came over to see me. What I don't like is that he came on Sunday about his business. He was very unpleasant to me. I didn't like him. He said, "I am your guardian."  
 Mr. BLANTON. How many times did he come to see you?  
 Mr. ALLEN. Twice.

Mr. BLANTON. He asked the court to give him authority to sell your lots in New York that your \$300 covered. He said that you are entitled to those three lots. Would you like the court to give him authority to sell them? Did you ever authorize him to do that?  
 Mr. ALLEN. No. I never did. I never talked to him about it.  
 Mr. BLANTON. Did you ever authorize him to sell your lots in New York for you?  
 Mr. ALLEN. No.  
 Mr. BLANTON. If he is trying to sell your lots he is doing it without your authority?  
 Mr. ALLEN. Yes.  
 Mr. BLANTON. Have you ever authorized him to bring suit in Chester, Pa.?  
 Mr. ALLEN. No.  
 Mr. BLANTON. To take that property back from Mrs. Anna Smith?  
 Mr. ALLEN. No.  
 Mr. BLANTON. Have you ever authorized anybody to try to get your thousand dollars back?  
 Mr. ALLEN. No, sir. That man came there and told me, he said, "I brought suit through the Cambridge Trust Co. to sue those people and get this money."

#### WHY HE WAS SENT TO ST. ELIZABETHS

Mr. BLANTON. You made a trip to Washington after?  
 Mr. ALLEN. I was going home.  
 Mr. BLANTON. Did anybody down here owe you some money?  
 Mr. ALLEN. I came through here. I had written to the department, to Lieutenant Edwards.  
 Mr. BLANTON. Edwards was down here in the Navy Department?  
 Mr. ALLEN. I had written to the Navy Department, and they referred me to the Naval Hospital and said that a doctor there would take care of that. So when I came through I went to see my cousin that I was raised with, just like children. I ran in there at any time. Next morning I got in a taxicab in golf clothes and I went over to see a doctor and talked to him.  
 Mr. BLANTON. You went over where?  
 Mr. ALLEN. To the Naval Hospital.  
 Mr. BLANTON. Here in Washington?  
 Mr. ALLEN. Yes; here in Washington. I went in and saw Mr. Edwards. So, while I was talking to Mr. Edwards, this Doctor McDaniel came along and said that he would like to see me and have me examined.

Mr. BLANTON. You told Mr. Edwards that you wanted your money, didn't you?  
 Mr. ALLEN. Yes, sir.  
 Mr. BLANTON. What doctor was it that said he would like to examine you?  
 Mr. ALLEN. Doctor McDaniel. When he came in and introduced himself he was a stranger. I didn't know him. I was in golf clothes. He said he would like to examine me. I said, "Why, certainly." I had had the T. B. and had practically cured myself, but I wasn't feeling any too good. I had run down from working. I had worked too hard. So they took my clothes off and locked me up.  
 Mr. BLANTON. They locked you up?  
 Mr. ALLEN. They locked me up, and I wrote letters and asked the nurse, "What am I here for?" She wouldn't answer me. So when Doctor McDaniel came there I said to him, "Doctor, you examined me. When can I go back? I am in business and I would like to get back." He never answered me. So next morning I wrote several letters, but they took my letters and put them in the wastebasket.  
 Mr. BLANTON. You wrote several letters?  
 Mr. ALLEN. Yes. So I couldn't get any talk with anybody. Nobody would talk to me. Nobody would answer me. So I was thrown in an ambulance and sent over here.  
 Mr. BLANTON. To St. Elizabeths?  
 Mr. ALLEN. Yes. I was put in the officers' ward and I was insulted, actually insulted.  
 Mr. BLANTON. Is there a kind of jealousy among the regular line officers that come from Annapolis against the men that work their way through the ranks?  
 Mr. ALLEN. Yes; all the time.  
 Mr. BLANTON. Have you ever felt that they were showing you indignities?  
 Mr. ALLEN. They wouldn't associate with me at all.  
 Mr. BLANTON. The regular line naval officers won't associate with those that come up from the ranks?  
 Mr. ALLEN. No, sir.  
 Mr. BLANTON. Do you know Mr. Taylor here?  
 Mr. ALLEN. Yes, I know him. He choked me lots of times. He threw me down and kicked me down and I hit myself against the side of the table. I asked him one day, I said, "Mr. Taylor, what am I here for?" He said, "Who do you think you are? Do you think you are the Duke of Paris?" He said, "You are behind the ranks now. You are not a lieutenant any more. Get over there and push those shovels." I was insulted and I just stood there, and this fellow grabbed me around the neck and choked me and they kicked me in the stomach.  
 Mr. BLANTON. Did you ever see them towel anybody up there?  
 Mr. ALLEN. They towel them. We would have to go in, and they would undress me, and this fellow came along one day and kicked me in the stomach.  
 Mr. BLANTON. You say that they kicked people in the stomach?  
 Mr. ALLEN. Yes. They knocked me down and the others held me while they kicked me.  
 Mr. BLANTON. Let me tell you something. If Mr. Taylor ever kicks you in the stomach again, you let me know.  
 Mr. ALLEN. I am in his ward.  
 Mr. BLANTON. You write a letter and you turn it over to whoever is in charge there and tell them to give it to me.  
 Mr. ALLEN. There doesn't seem to be anybody in charge. You don't have anybody to talk to.  
 Mr. BLANTON. You asked them to take you before the conference, didn't you?  
 Mr. ALLEN. No. I never asked them to take me before the conference.  
 Mr. BLANTON. Well, I tried to take you there myself, but they wouldn't let me.  
 Now, Lieutenant, when Mr. Fenning became your committee they took you down here before the court. Did they give you a chance to get witnesses?  
 Mr. ALLEN. No, sir. I went in the first court and the court found I was all right. I went back to the next court and they had three negroes on the jury and everybody seemed to be asleep. There wasn't a decent-looking man in the jury. So two doctors—one of them never saw me before—got up and swore that I was crazy and didn't know what I was talking about. So I could see that everything was against me and nothing that I could do would be any use, so I didn't say much.  
 Mr. BLANTON. Did you know Mr. Fenning then?  
 Mr. ALLEN. I didn't know Fenning from nobody at all.  
 Mr. BLANTON. Did you ask that he be appointed your guardian?  
 Mr. ALLEN. No, sir. I did not.  
 Mr. BLANTON. Did you know that the court was going to appoint him your guardian?  
 Mr. ALLEN. No. I never saw the man till several days later when he came over to see me and said, "I am your guardian."

## WITHOUT TRIAL OR BENEFIT OF CLERGY

Lieut. Frank Allen was railroaded into St. Elizabeths Insane Hospital on the mere edict of the Navy Department, without a trial in court or chance to be heard. When it was found that he was entitled to the retired pay of a lieutenant arrangements were made between Doctor White and Frederick A. Fenning for the latter to become Allen's committee, or guardian, and draw his money and take charge of his bank account and of his property in New York and Chester, Pa. But that required an adjudication in court. And it is interesting to note that in trying to get himself appointed guardian Frederick A. Fenning had a hard time to get a court to adjudge Allen as insane. Read the following letter which Fenning wrote to a relative of Allen—who, by the way, Fenning later paid so much per month out of Allen's income:

Mrs. FLORENCE PICKRELL,

817 Twenty-fifth Street, Newport News, Va.

DEAR MRS. PICKRELL: The case of your brother, Francis D. Allen, came on for hearing yesterday morning. Every effort was made to convince the court that he was of unsound mind, but without avail, and the matter went over for two weeks. When the case is heard Friday, November 6, 1925, I will further advise you in the premises.

Yours very truly,

F. A. FENNING.

## EFFORTS TO PROVE INSANITY FUTILE

Now is not that ridiculous? This great expert on proving victims crazy admitted that "he had made every effort to convince the court that Allen was of unsound mind, but without avail"; and this was after Allen had been kept locked behind the bars for a long time in an insane asylum, ordered there by the Secretary of the Navy as being a crazy man. But Fenning finally got him. He finally used enough of his St. Elizabeths special doctors to prove Allen was insane, and then he took charge of his property and money. But soon after Congress adjourned Lieut. Frank Allen secured a writ of habeas corpus and was carried before the Supreme Court of the District of Columbia and given a proper hearing, and proved his sanity, and was discharged from this insane asylum, and is now free and doing well.

Mr. SCHAFER. Does not the gentleman think there ought to be a limitation on the appropriation here, so that the taxpayers will not have the burden of taking care of sane people in an insane asylum—such men as George C. Tisdale, who was held for many years in St. Elizabeths and a jury of his peers declared him sane? And since he was released he has been making his way in the world.

Mr. BLANTON. I do not think you could do it on this appropriation bill, because the committee would not let you.

Mr. GREEN of Florida. If the gentleman will yield, during the last session of Congress the gentleman from Texas and other Members of the House, and outsiders, were successful in bringing to the ground one of those human vultures, Frederick A. Fenning—

Mr. BLANTON. That has passed over the mill, because we have already gotten rid of him.

Mr. GREEN of Florida. But Doctor White is going on in the same channel. Perhaps there is some method by which we could get rid of Doctor White.

Mr. BLANTON. I think when Members of Congress find out how these 4,400 human beings are handled in St. Elizabeths they will get White. I talked to an admiral out there in this insane asylum this morning who is just as intelligent as any man in this House, put there because he interfered with his wife's social standing, and this admiral's salary is now being used by his wife, maintaining herself in society here in the Nation's Capital. If that man had a trial before a court of his peers, he would be turned loose in a minute.

Mr. W. T. FITZGERALD. Will the gentleman yield?

Mr. BLANTON. In just a minute. I would like to yield to the distinguished physician from Ohio and let him explain his ideas about this matter for a few minutes, but I have not the time.

Mr. SUTHERLAND. How was the admiral committed?

Mr. BLANTON. By order of the Secretary of the Navy. The Secretary of the Interior, Doctor Work, after Congress adjourned, appointed a hand-picked committee of scientific members to investigate St. Elizabeths. I say "hand-picked" because there is an interlocking directorate between every one of them and Doctor White, and I am going to put proof of this in the RECORD. In the first place, the Secretary of the Interior is a distinguished physician himself, and at one time he was in charge of a large hospital in the State of Colorado. Let me give you the facts.

## FACTS ABOUT DOCTOR WORK'S HAND-PICKED COMMITTEE

Our Gibson committee has had St. Elizabeths Insane Asylum under investigation since last April. The Director of the Veterans' Bureau has been investigating this asylum. Just before we adjourned, Congress passed my resolution authorizing and directing the Comptroller General of the United States to investigate the finances of this institution, and constantly since July General McCarl has had a big force of his investigators at work there. Notwithstanding all this, the Secretary of the Interior was not satisfied. Without any authority of law he appointed his hand-picked committee, and all of us who were posted knew beforehand that their report would be a whitewash. Doctor Work is a splendid gentleman and I do not question his honesty, but having been a superintendent of a hospital in Colorado himself, his bias is in favor of all such superintendents. Here is the interlocking directorate:

Dr. Hubert Work himself founded and run in the past the Woodcroft Hospital for Mental and Nervous Diseases, Colorado.

Dr. William Alanson White, Superintendent of St. Elizabeths Hospital, is a member of both the American Psychiatric Association and the National Committee for Mental Hygiene. Both of these organizations are interlocking and affiliated societies. (See the magazine called Mental Hygiene, July issue, 1926, p. 661.)

All the members of Doctor Work's committee belong to either the one or the other of these societies and are contributors to and contributor. (See the Journal of Nervous and Mental Diseases, 64 West Fifty-sixth Street, New York City, and Mental Hygiene, published at 370 Seventh Avenue, New York.)

Work's committee members are affiliated with White in the following way:

George Milton Kline is a member of the American Psychiatric Association, of the Massachusetts Society for Mental Hygiene, and the National Committee for Mental Hygiene.

Arthur Hiller Ruggles is a member of the Rhode Island Society for Mental Hygiene and the National Committee for Mental Hygiene.

Dr. Owen Copp, now of Pennsylvania Hospital for Mental and Nervous Diseases, was formerly of Taunton (Mass.) Insane Hospital, and is a member of the American Psychiatric Association.

Dr. William Logie Russel, of Bloomingdale, N. Y., appointed but could not serve, is a member of both the American Psychiatric Association and the National Committee for Mental Hygiene.

Dr. Samuel Edwin Smith, psychiatrist, now provost of Indiana University, has been connected with the Northern Indiana Hospital, Logansport, the Eastern Indiana Hospital, Richmond, and he planned and supervised the Indiana Hospital for Insane at Madison, from which place Doctor Work's late wife came. The assistant of Doctor Smith in the University of Indiana, Charles P. Emmerson, is president of the National Committee for Mental Hygiene.

These superintendents do not like investigations. They do not like to have outsiders come in and investigate the modus operandi of their institutions, and I think we may assume that Doctor Work was in that attitude of mind. Otherwise he would have pursued different methods. Doctor White knew he was to be investigated. He knew when, where, and how to prepare for it. He put special investigation clothes on his entire hospital. Doctor Work had no authority to incur such expense, and when he sent in a bill to the auditor, the Comptroller General of the United States, to have their expenses paid, the auditor turned him down and Doctor Work had to pay the expenses out of some pocket other than that of the Government. I am glad he had to do it.

Mr. WINGO. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. WINGO. Does the gentleman mean to say that the Secretary of the Interior once had charge of an insane asylum?

Mr. BLANTON. He had charge of the Woodcroft Hospital for Mental and Nervous Diseases, in Colorado. I will ask the gentleman from Colorado [Mr. TIMBERLAKE] if that is not so?

Mr. TIMBERLAKE. It was an institution that received patients.

Mr. BLANTON. Yes. An institution which received patients.

Mr. WINGO. That is one of the things I did not understand.

The CHAIRMAN. The time of the gentleman from Texas has expired.



Mr. CRAMTON. I yield to the gentleman two minutes of my time.

Mr. BLANTON. I thank the gentleman from Michigan. I have spent much of my time in the investigation of this institution, because when I began there were over 900 shell-shocked veterans of the World War confined there. Thank God, the Director of the Veterans' Bureau has already moved 488 of them. He has sent them away from there since we began this investigation.

When I had Doctor White on the stand I pinned him down on the fact of his selling his testimony to free criminals. You remember he admitted that he received from Clarence Darrow \$250 a day for 14 days to save the murderous necks of Loeb and Leopold out of the hangman's noose. He testified in Chicago for money when all of his time belongs to the people of this country in the Government institution out at St. Elizabeths. When I examined him in regard to other times where he testified in court for money he at first denied receiving it, and he evaded my questions, but I made him admit that he went to Baltimore and received \$500 cash for two days' time and that he has also testified in Philadelphia and in New York. When I asked him about the Shelley case in Virginia he said, "Shelley? Shelley? Shelley? I do not remember such a case." I asked him, "Did you not get \$500 for testifying in that case?" And he said, "No." Then I put Judge Crandall Mackey, of Virginia, on the stand, and he testified that Doctor White had tried to put a lady into an insane asylum when she was sane and had received \$500 for it, and then Doctor White remembered all of the lady's symptoms.

As it is interesting, let me quote for your information some excerpts from the hearing to show just how I had to corkscrew the facts out of Doctor White:

Mr. BLANTON. \* \* \* Doctor, we were talking about the fees you had received for testifying in criminal cases, and you could not remember the names of the cases. I wanted to help you. Over here in Virginia you testified in the case of Col. W. C. Shelley, did you not?

Doctor WHITE. I do not recall the name—Shelley; that is Colonel Shelley.

Mr. BLANTON. He paid you \$500 for it; don't you remember it?

Doctor WHITE. I do not.

Mr. BLANTON. I will get you so you will remember it, Doctor.

Doctor WHITE. All right; go ahead.

Mr. BLANTON. Colonel Shelley was trying to have his wife adjudged insane—Col. W. C. Shelley, over at Arlington. Mr. Norton was his attorney. Do you remember that?

Doctor WHITE. When was this?

Mr. BLANTON. And a man named Thornton was Mr. Shelley's attorney, and Norton afterwards became a judge. Don't you remember this?

Doctor WHITE. When was this?

Mr. BLANTON. A few years ago.

Doctor WHITE. When?

Mr. BLANTON. I am testing you.

Doctor WHITE. And I don't remember.

Mr. BLANTON. You don't remember?

Doctor WHITE. No; I do not.

Mr. BLANTON. I will try to refresh your memory a little later. You testified in that case, as the records show, that Mrs. Shelley was insane?

Doctor WHITE. Oh, Shelley, Shelley, Shelley.

Mr. BLANTON. Yes; Shelley—S-h-e-l-l-e-y—Shelley.

Doctor WHITE. Yes; I think so.

Mr. BLANTON. You think you do? You testified she was insane, and the jury found she was sane; and the court turned her loose by judgment of the court, and you got \$500 in that case?

Doctor WHITE. Well, I don't remember.

Mr. BLANTON. Colonel Shelley paid it to you himself?

Doctor WHITE. I don't believe I did.

Mr. BLANTON. You do not want to deny it because I have the proof of it.

Doctor WHITE. I am not denying anything. I can not remember, nor am I affirming it, either.

Mr. BLANTON. You do remember the Shelley case?

Doctor WHITE. I remember, and it does not sound as if you were quoting anything about it that was so.

Mr. BLANTON. I will remind you of another thing that will refresh your memory: This man Thornton, who was Mrs. Shelley's attorney, afterwards became a judge over there of the circuit court.

Doctor WHITE. I do not remember that.

Mr. BLANTON. And there was another big case involving a big estate tried before him as judge, when he was judge, and you were called over there to testify in that case as an alienist?

Doctor WHITE. What case was that?

Mr. BLANTON. That was a will case. Do you remember that? It involved nearly a million dollars' worth of property. Do you remember that?

Doctor WHITE. I do not remember Judge Thornton. I have no recollection—

Mr. BLANTON. I will give you a little instance about Judge Thornton which may refresh your memory.

Doctor WHITE. I think I know the case you speak of.

Mr. BLANTON. Let me see if you do not remember.

Doctor WHITE. I do not remember anything about Judge Thornton.

Mr. BLANTON. When you began to testify on the stand in that case Judge Thornton turned to you and said, "Doctor White, aren't you the same Doctor White who testified in the Shelley case?" And you said, "Yes, sir; I made a mistake in that case."

Doctor WHITE. I do not remember any such thing, and I do not believe it.

Mr. BLANTON. You do not believe that, do you, Doctor?

Doctor WHITE. No.

Mr. BLANTON. And you will say that is not so?

Doctor WHITE. I am telling you I do not believe it.

JUDGE CRANDALL MACKEY REFRESHED HIS MEMORY

Then I confronted Doctor White with Judge Crandall Mackey, and as soon as he testified, Doctor White remembered all the symptoms of Mrs. Shelley.

Mr. BLANTON. Judge Mackey, state your name.

Mr. MACKEY. Crandall Mackey.

Mr. BLANTON. Did you ever hold an official position in the State of Virginia?

Mr. MACKEY. I have held several. My last position was Commonwealth's attorney?

Mr. BLANTON. How long were you Commonwealth's attorney of the State of Virginia?

Mr. MACKEY. From 1904 to 1916.

Mr. BLANTON. That was 12 years?

Mr. MACKEY. Yes, sir.

Mr. BLANTON. Judge Mackey, do you know anything about the case that was tried in Virginia where a man named—

Mr. MACKEY. William C. Shelley.

Mr. BLANTON. William C. Shelley was attempting to have his wife declared insane?

Mr. MACKEY. I do; yes, sir.

Mr. BLANTON. And in which Doctor White testified?

Mr. MACKEY. Doctor White gave an opinion and subsequently testified.

Mr. BLANTON. Yes; which was as to whether she was sane or insane.

Mr. MACKEY. That she was of unsound mind; that she was paranoid.

Mr. BLANTON. And what was it the court and jury found?

Mr. MACKEY. The court found that she was of sound mind and not paranoid.

Mr. BLANTON. Do you happen to remember who Mrs. Shelley's attorney was?

Mr. MACKEY. Her attorney was Judge J. B. T. Thornton, of Manassas. At that time he was attorney for the Commonwealth, of Prince William County.

Mr. BLANTON. Do you remember who the attorney for William C. Shelley was—was it Norton?

Mr. MACKEY. Judge Norton, of Alexandria.

Mr. BLANTON. That was the case in which Doctor White received \$500?

Mr. MACKEY. Shelley read me Doctor White's opinion and said he had paid Doctor White \$500 for the opinion.

Mr. BLANTON. You also had some connection with that case later?

Mr. MACKEY. The opinion was read to me that Mrs. Shelley was insane—quite a lengthy opinion—and I was requested to go with Luther Walter, a prominent attorney, and talk with Mrs. Shelley and give my opinion, and Mr. Walter was to give his opinion, as to whether she was insane. We went there and talked to her at great length, after being prepared by having this opinion read to her—of Doctor White read to us—that she was insane and paranoid.

We came back and reported that she was of sound mind and was not insane.

Mr. BLANTON. You differed with Doctor White's opinion?

Mr. MACKEY. Yes.

Mr. BLANTON. State whether or not this Judge Thornton went on the bench afterwards.

Mr. MACKEY. Judge Thornton became judge of the sixteenth judicial circuit, which was my circuit there; and several years thereafter he was trying a will case in Alexandria and Doctor White said that the testator was insane.

Mr. BLANTON. I wish you would tell what happened between Judge Thornton and Doctor White while he was on the witness stand.

Mr. MACKEY. This was related to me by Judge Thornton while I was attorney for the Commonwealth.

Judge Thornton said, "Are you not the Doctor White who has testified Mrs. Shelley was insane?" And he said, "I am." Judge Thornton said, "Was she insane?" And Doctor White said, "No; I was mistaken in that case." Then Judge Thornton said, "How do I

know, Doctor White, that you are not mistaken in this case?" And then he said, "Doctor White, I would not give any credence to what you say in this case."

Mr. BLANTON. Do you recall giving the opinion now, Doctor?  
Doctor WHITE. No; I do not. But I recollect something about the Shelley case.

Mr. MACKEY. I read it, and it was read to me.

Doctor WHITE. If my recollection of who Shelley was is correct, it was a long time ago.

Mr. MACKEY. He was a lawyer.

Doctor WHITE. He was a lawyer. My recollection is that I did not say Mrs. Shelley had paranoia. Mrs. Shelley was an unusual case. My recollection is that I made very clearly an entirely different diagnosis, which might easily be mistaken in your mind for one of paranoid; in other words, I made the diagnosis—and this is very technical—that she was a case of manic depressive psychosis, with paranoid ideas in the manic phase; in other words, she was suffering from psychosis of periodic type, and that her ideas during the psychiatric episode were of the paranoid character.

Mr. BLANTON. You do recollect the case now all of a sudden, don't you Doctor?

Doctor WHITE. Oh, I told you I had seen her in consultation, but I did not recollect testifying. I do not now recollect testifying. I told you that I didn't recollect the conversation with the judge on the bench, and I did not believe it had occurred.

Mr. BLANTON. So you do remember the case enough now, Doctor, to say that she had depressive psychosis?

Doctor WHITE. Yes.

Mr. BLANTON. Well, I am glad that you remember. Go ahead and make your statement.

Doctor WHITE. Now, the husband, as I recall, was a lawyer, was he not?

Mr. MACKEY. Yes.

Doctor WHITE. The husband did not believe my diagnosis, and she had a relative—I have forgotten what the relation was—who was an attorney, and he didn't believe it, and he was rather—I do not think it is fair perhaps to say bitter toward me—but very lacking in understanding that situation and antagonistic to me about it. My recollection was that as the years went on these people who had not believed my diagnosis came to an understanding that that diagnosis was correct and came around to me and acknowledged that I was right; and this gentleman, who was a relative and who had been rather on the outs with me, became subsequently one of my very good friends. That is my recollection.

Mr. MACKEY. Mrs. Shelley never was insane. She has led a most useful life as a trained nurse and is a very highly intelligent woman.

Doctor WHITE. It is perfectly possible that I am mixed on the cases.

Mr. MACKEY. I think your recollection is correct, Doctor, because the man you mentioned as a lawyer relative was Assistant Attorney General of the United States afterwards.

Doctor WHITE. That is right.

Mr. MACKEY. And at that time was assistant United States attorney.

#### NUMEROUS OTHER CASES

I have mentioned only a few cases, gentlemen, when if I had the time I could tell you of numerous ones that show the utter unreliableness and unfitness of Dr. William A. White to have in his charge the destinies of 4,400 human beings out at St. Elizabeths Asylum for the Insane, but I have not the time.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 94, line 14, after the word "immediately," insert "Provided further, That none of the money herein appropriated shall be used for the support, clothing, and treatment in St. Elizabeths Hospital of a person for a period of more than 90 days, if such person has not been adjudicated insane or incompetent by a court of competent jurisdiction other than a military court after due notice of said proceeding to the next of kin of such person."

Mr. CRAMTON. Mr. Chairman, I reserve a point of order.

Mr. LAGUARDIA. That should be offered after the word "Interior," page 97, line 2. I put it in the wrong place before.

I do not believe the amendment is subject to a point of order, because it is clearly a limitation on the amount appropriated. While the amendment will not cure all of the existing evils now prevailing in St. Elizabeths, it will at least provide that the members of the Military and Naval Establishments can not be indefinitely committed to St. Elizabeths by the mere order of the Secretary of War or the Secretary of the Navy.

The amendment would give the institution 90 days' time in which to commence the proceeding. It would provide due and timely notice to the next of kin of the person to be committed. The commitments would have to be made by a civil court of competent jurisdiction and would take away from any other than a civil court the power indefinitely to put any insane person into the hospital. It is the procedure and practice of almost every State of the Union that before a person is declared insane and permanently committed to an institution the competency of such person must be passed upon by a competent court and due notice given to the next of kin.

If the gentleman from Michigan desires to raise the point of order, I would like to know the ground upon which he urges his point of order, because in my judgment the amendment comes entirely within the Holman rule and is clearly a limitation. After the matter has been discussed by the gentleman from Texas [Mr. BLANTON], who has given St. Elizabeths more study than any other Member of this House, it is obvious that we must do something; and in the absence of any present intention to pass legislation here is an opportunity to put a limitation on the expenditure of the fund and at least protect the members of the Military and Naval Establishments from being indefinitely committed to that institution without due process of law.

Mr. CRAMTON. Mr. Chairman, how much time has the gentleman remaining?

The CHAIRMAN. The gentleman consumed three minutes of the five minutes allotted.

Mr. LAGUARDIA. I yield to the gentleman the remainder of my time.

Mr. CRAMTON. Mr. Chairman, the gentleman from New York is kind enough to yield that time to me. I make a point of order on the amendment, on the ground that it imposes certain new obligations upon the management of the institution. It provides that none of the money herein appropriated shall be used for the support, clothing, and treatment in St. Elizabeths Hospital of a person for a period of more than 90 days if such person has not been adjudicated insane or incompetent by a court of competent jurisdiction other than a military court after due notice of said proceedings to the next of kin of such person.

Now, as to the merits of that proposition at this time, I do not care to address myself. Of course, the purpose the gentleman has in mind no one objects to, but it is a question whether, through his language, he may be accomplishing something that may not be desirable. It is really not an issue on an appropriation bill. This amendment is not strictly a limitation. It does not stop with a provision limiting the expenditure of money.

It places upon the management of the institution the obligation of determining whether all of these things have been done. He must determine whether there has been an adjudication; he must find whether there was due notice of the proceedings given to the next of kin, and so forth.

Mr. LAGUARDIA. Mr. Chairman, I desire to be heard on the point of order. This is clearly a limitation if there ever was one placed upon funds appropriated. It prohibits the support, clothing, and treatment of a patient in St. Elizabeths Hospital for more than 90 days unless what? Unless the authorities in the hospital ascertain that the authority seeking to commit a person to that institution does so under proper legal procedure. It imposes no new duty upon the hospital. To the contrary it limits the amount that may be used and limits the time during which a patient may be supported, maintained, and treated in St. Elizabeths Hospital to a period of 90 days. The precedents are many if the chair will consult them, where like limitations have been placed upon funds. Only last session, in the military bill, we put on a limitation stopping the salary of a recruiting officer who enlisted boys under 21 years of age. Surely in doing that we imposed an extra duty on the recruiting officer to ascertain the correct age of a boy to be enlisted. The distinguished chairman of this subcommittee can not get any parliamentarian in this House to support his contention that this amendment is not within the rules and that it is not a limitation upon public funds.

Mr. LUCE. Mr. Chairman, I would like to be heard on the point of order. I inject myself into this discussion by reason of the fact that I am a member of the Committee on World War Veterans' Legislation and the chairman of its subcommittee on hospitals, and therefore am concerned with the application of this proposed amendment as it relates to the commitment of persons deemed insane, under the authority of the Veterans' Bureau.

At the moment I must confine myself to the question of the point of order. The gentleman from New York is correct, of



course, in saying that limitations have been held to be in order, but I think he would be quite incorrect if he carried his statement to the point of holding that all limitations have been so held. If time permitted I think I could cite to the Chair numerous rulings to the contrary, one I remember, made by myself—while I had the honor of serving as chairman of the committee. I may have been wrong in that instance and other presiding officers may have been wrong, but the best judgment, it seems to me, of the gentlemen who have occupied the position you now hold, is that it is the right and duty of the Chair to go to the intent of the proposal. The intent of this proposal is to legislate. The important question it raises has been considered by the committee to which the gentleman from Texas [Mr. BLANTON] has referred; recommendations have been made and they ought to be considered in due course by the committee of this House entrusted with legislating upon the matter. Everything proves that the gentleman is submitting a legislative proposal, and if technically the Chair should see fit to admit that proposal it would violate the spirit and thwart the purpose of the rule.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. LAGUARDIA. The gentleman refers to his interest in veterans and my amendment in its application to persons committed by the Veterans' Bureau. Is the gentleman aware of the fact that in my State and the gentleman's State the Veterans' Bureau must go through just such a procedure before it can commit a boy to an institution?

Mr. LUCE. I am quite familiar with that fact, so far as it relates to my State.

Mr. LAGUARDIA. And the same is true in my State.

Mr. LUCE. I certainly hope that legislation may follow the advice of the committee, to which reference has been made, but I want that to take the orderly course of consideration by a committee of the House, where all phases of the question may be considered and where there may be a deliberate and well-digested determination of what ought to be done. It would be most unfortunate if, by taking advantage of this situation, the gentleman succeeded in procuring legislation before it had been properly considered by a committee of this House.

Mr. LAGUARDIA. But the gentleman is simply arguing as to the wisdom of what I seek to bring about by my amendment and not as to its being a germane or proper amendment.

Mr. LUCE. I disclose the fact that the gentleman contemplates legislation in this amendment and that such legislation ought to be secured under the ordinary rules of procedure in this body.

Mr. LAGUARDIA. It is not legislation at all.

The CHAIRMAN (Mr. McLAUGHLIN of Michigan). The attention of the present occupant of the chair is called to a line of decisions which seem to be accepted by the House and should, the Chair believes, govern him in passing upon this question.

The amendment offered by the gentleman from New York evidently, as the Chair sees it, would impose new duties not only upon those who are administering the affairs of the hospital but upon those who must pass upon expenditures and the disbursement of them. It would to some extent change the order of proceedings in the hospital and necessarily impose additional duties. Therefore the Chair feels that the point of order should be sustained.

Mr. CRAMTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks on this paragraph.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to revise and extend his remarks on the paragraph. Is there objection?

There was no objection.

Mr. CRAMTON. Mr. Chairman, under that I will insert the proviso that appears on page 96 with reference to certain payments in advance by the District and others and a statement with reference to the purpose of that language, inasmuch as some question has been raised about it and some fear that the audit is not properly protected:

*Provided further, That during the fiscal year 1928 the District of Columbia, or any branch of the Government requiring St. Elizabeths Hospital to care for patients for which they are responsible, shall pay by check to the superintendent, upon his written request, either in advance or at the end of each month, all or part of the estimated or actual cost of such maintenance, as the case may be, and bills rendered by the Superintendent of St. Elizabeths Hospital in accordance herewith shall not be subject to audit or certification in advance of payment; proper adjustments on the basis of the actual cost of the care of patients paid for in advance shall be made monthly or quarterly, as may be agreed upon between the Superintendent of St. Elizabeths Hospital and the District of Columbia government, department,*

*or establishments concerned. All sums paid to the Superintendent of St. Elizabeths Hospital for the care of patients that he is authorized by law to receive shall be deposited to the credit on the books of the Treasury Department of the appropriation made for the care and maintenance of the patients at St. Elizabeths Hospital for the year in which the support, clothing, and treatment is provided, and be subject to requisition by the disbursing agent of St. Elizabeths Hospital, upon the approval of the Secretary of the Interior.*

There are about 2,150 District of Columbia patients and 500 other patients from the Veterans' Bureau, Public Health Service, and other Government activities in St. Elizabeths which are not supported from the appropriation in the bill but for which the hospital is reimbursed from appropriations made directly to those services. The appropriation made directly to the hospital in this bill is used to support patients not sent to it by these services and as a working fund to buy supplies and pay employees until such time as reimbursement comes in from these other services. The advance-payments provision is not used in the early months of the fiscal year, because the money in the bill is sufficient to carry all patients with repayments from reimbursable services coming in the regular way. Toward the end of the fiscal year, however, when the money in the bill has become reduced by expenditure, it becomes necessary to use the authority in the bill for advances to carry the District of Columbia and other reimbursement patients, and advances are asked for once a month. If these advances are not made it would be necessary to add \$300,000 to \$400,000 to the item in the bill in order to carry the District of Columbia, which has over 2,000 patients, until such time as the final audit is completed.

There is no irregularity in this practice. The accounts are all audited by the Comptroller General, and the audit is as effective under the practice of advances as it would be without them.

The language used is modeled after the provision in the legislative appropriation bill covering accounts of the various departments for printing at the Government Printing Office.

Further, Mr. Chairman, the gentleman from Texas the other day, and again to-day, it seems to me, has seriously impugned the good faith, if not the integrity, of the Secretary of the Interior. As the gentleman from Texas and the committee know, I do not hesitate to differ with the Secretary of the Interior in matters of policy when my judgment so dictates, but I have not yet and I never expect to get to the point where I will challenge the good faith of the present Secretary or his integrity. [Applause.] When the gentleman charges that Secretary Work, who is charged with the duty of administering St. Elizabeths Hospital, in view of all the attacks being made on that administration, saw fit to gather five distinguished experts in that sort of work and asked them to conduct an investigation, I say he goes too far when he says that it was only a whitewash and was not a good-faith investigation. [Applause.] I reserve the right to differ with Secretary Work. I expect to again, as I have in the past, but I am willing to admit the other man's integrity of purpose, and there is no foundation for the lack of confidence which the gentleman from Texas has displayed.

Mr. BLANTON. Will the gentleman yield? The gentleman ought to yield to me when he says that.

Mr. CRAMTON. After I have finished my statement.

Mr. BLANTON. I said distinctly that I considered Doctor Work a splendid gentleman.

Mr. CRAMTON. Well, concede his honesty and then we do not differ.

Mr. BLANTON. I do not question his honesty, but I say, being an alienist himself and a former hospital superintendent—

Mr. CRAMTON. I do not yield further. I cut my time down to give the gentleman time, and I can not give it all to him.

The position of our committee when we took up the items for this institution was this: We found there were seven investigations under way or completed, as follows: First, by a subcommittee of the House Committee on the District of Columbia; second, by the Committee of the House on World War Veterans' Relief; third, by the Judiciary Committee of the House; fourth, by investigators from the General Accounting Office by resolution of Congress; fifth, by representatives of the Veterans' Bureau; sixth, by five physicians appointed by the Secretary of the Interior; and, seventh, by the regular board of visitors. Our committee could have spread itself over the front pages of the Washington papers by starting a new investigation, which was within our authority, but we would not have accomplished anything. We have preferred to let these other investigations go their way, to let the legislative committees do their duty, and we have just marked time until

there are some results coming from these various investigations. Therefore we did not add one more investigation to the number.

We bring the bill here with the necessary expenses for the running of the institution and hope it will meet with the approval of the House.

Mr. ROMJUE. Will the gentleman yield for a question?

Mr. CRAMTON. Now I yield, if I have any time remaining.

Mr. ROMJUE. Taking into consideration that the committee has given consideration to making this appropriation and in view of what the gentleman has already said about an expert commission making some investigation, I want to ask the gentleman is it his opinion that the St. Elizabeths Hospital is being properly and well managed?

Mr. CRAMTON. I do not think the gentleman should ask me that question. I think it would be presumptuous for me to answer, and I know there is a large membership in the House who would not accept my statement either way I made it. My statement would not be conclusive with seven different investigations under way to determine that particular fact. The report I referred to, however, has developed some facts with reference to the need of expansion which I think the House ought to have before it to give such weight to as they may think it worthy of, so that all the facts may be available, but the gentleman from Texas [Mr. BLANTON] objects to the printing of that report.

The CHAIRMAN (Mr. MICHENER). The time of the gentleman from Michigan has expired; all time has expired, and the Clerk will read.

The Clerk read as follows:

For general repairs and improvements to buildings and grounds, \$125,000.

Mr. TAYLOR of Colorado. Mr. Chairman, I move to strike out the last word.

I think it would be appropriate for me, as the ranking minority member of the committee in charge of this bill, to supplement briefly what the chairman has said.

Personally I have a very unfavorable impression of the conduct of this insane asylum called a hospital, both as to its management and its superintendent. I think President Coolidge should have called for more resignations than he did. I say frankly that it goes against the grain for me to join in appropriating such enormous sums of money to this institution under its present management. I believe conditions are bad. At the same time, as the chairman of the subcommittee has said, in view of the fact that there are some seven investigations of the institution under way, we thought it was unwise for us to start another investigation, which we have the full authority to do. We thought we would go ahead and make this appropriation for this year and await the determination of these investigations and also await for the present the action of the appropriate legislative committees concerning this institution.

I do feel that something ought to be done with the management of this institution, and personally I do not approve of these long delays in the matter. I think the conditions that have been repeatedly shown to this House abundantly warrant and properly call for much more expeditious action.

I also want to join the chairman of this subcommittee in saying a word about the Secretary of the Interior, whom I have known for nearly 40 years. He is and always has been a public-spirited, thoroughly honorable, very high-class citizen, and an exceptionally efficient public official. He is to-day and for many years has been the most distinguished resident of the Centennial State, and I do not believe there is anybody in Colorado, or anywhere else, who knows him well would impugn the honor or the good faith of Secretary Work. A very few times I have not agreed with his official actions, or policy. That is, I have not always approved of his course pertaining to the public domain and water-right matters in his office of Secretary of the Interior, but I never have for a moment questioned his good faith or his honesty. It is only a question of judgment, and in my own mind I have always believed that the reason his judgment did not coincide with mine was because he was erroneously advised. I feel that the Members of this House from the State of Colorado would be somewhat derelict in their duty to Doctor Work and to our State if some one did not deny and resent any reflection upon our Secretary of the Interior. [Applause.]

Mr. BLANTON. Mr. Chairman, I rise in opposition to the gentleman's pro forma amendment.

Mr. CRAMTON. Mr. Chairman, I ask unanimous consent that all debate on the pending paragraph and all amendments thereto be limited to seven minutes, five minutes for the gentleman from Texas and two minutes for myself.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that all debate on the pending paragraph and all amendments thereto close in seven minutes, five minutes to be controlled by the gentleman from Texas and two minutes by himself. Is there objection?

There was no objection.

Mr. BLANTON. I am not going to allow either the gentleman from Michigan [Mr. CRAMTON] or my friend from Colorado [Mr. TAYLOR] to place me in a wrong attitude. I prefaced my remarks the other evening, and it is in the RECORD with the statement that I considered Doctor Work a splendid gentleman. I did not question his honesty.

Here is where the trouble lies: He has been superintendent of a prominent hospital in Colorado which admits mental patients. Every one of these superintendents, as I have found in 30 years of public life, has a fellow feeling for each other, because once in a while all such institutions are under investigation. I have contended here that there was a fellow feeling between Work and Doctor White.

Mr. TAYLOR of Colorado. I think, Mr. Chairman, I ought to state—

Mr. BLANTON. I am sorry I can not yield. I do not question Doctor Work's honesty. Take our friend from Massachusetts [Mr. LUCE]. He is perfectly honest, but every single step that I took to protect the veterans of the World War from Doctor White and Fenning I found him standing there defending White and Fenning. I do not question his honesty, but I question his judgment.

Mr. JOHNSON of Washington. Mr. Chairman, I make the point of order that the gentleman is criticizing the votes of Members of the House, which is against the rule. He has no right to question the vote of any other Member.

Mr. BLANTON. I can mention what has occurred. Now, take my good friend from Maine [Mr. HERSEY], with whom I had more trouble than I did with any other member on the Judiciary Committee.

My friend from Maine [Mr. HERSEY], a distinguished lawyer, gave me more trouble than did Fenning's attorney, Frank Hogan. I did not have any trouble in handling Hogan. I did not have any trouble in handling Fenning's other two distinguished counsel; my trouble was with the gentleman from Maine, who, although he was not a member of the subcommittee, he was the only member of the Judiciary Committee who was there every single moment of the hearing, hamstringing me at every turn. And after the Congress adjourned he put into the RECORD an extension of remarks comparing Fenning favorably with our Lord and Savior.

Well, that shows you what environment will do. The gentleman from Maine is as honest as he can be. I do not impugn his motives or his honesty; he thought he was doing right, but, my goodness, there is not another man in the United States who would agree with him. [Laughter.]

Mr. CRAMTON. Mr. Chairman, the gentleman from Texas complains that the Secretary of the Interior and the commission that he selected, by training and experience, know something about the subject that they were to investigate. I think it is not necessary to reply to that kind of an attack. I think it was all right among the seven investigations to have one investigation made by men who knew something about how to run such an institution.

I ask unanimous consent at this point, for fear it may slip my mind and as the gentleman from Oklahoma is here, to return to page 19 to offer an amendment. If an explanation is desired, I will make it now. It is to offer an amendment which is prepared by the Indian Bureau at the suggestion of the gentleman from Oklahoma [Mr. THOMAS].

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to return to page 19 to offer an amendment. Is there objection?

There was no objection.

Mr. CRAMTON. Mr. Chairman, I offer two amendments, and preliminary to offering them I will say that they add nothing to the total of the bill. There was an appropriation of \$200,000 of the tribal fund of the Kiowa, Comanche, and Apache Indians, and the amendment reduces the \$200,000 taken from the fund to \$100,000, and provides a new item for \$100,000 from other funds derived from the Red River leases, as I recall.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

On page 19, line 11, strike out the figures "\$200,000" and insert in lieu thereof "\$100,000."

The amendment was agreed to.



The Clerk read as follows:

Page 19, after line 17, insert a new paragraph, as follows:

"For the payment to the Kiowa, Comanche, and Apache Indians of Oklahoma from tribal trust funds established by joint resolution of Congress June 12, 1926 (44 Stat. p. 740), being a part of the Indian share of the money derived from the south half of the Red River, Okla., \$100,000: *Provided*, That the said sum shall be distributed share and share alike to all recognized members of the Kiowa, Comanche, and Apache Tribes who are living on the date of the passage of this act, under such regulations as the Secretary of the Interior may prescribe."

The amendment was agreed to.

Mr. CRAMTON. Mr. Chairman, I ask unanimous consent to return to page 66, line 24, for the purpose of offering an amendment.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CRAMTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: Page 66, line 24, strike out all of line 24 and the remainder of the paragraph down to and including line 2, on page 67, and insert in lieu thereof the following:

"Vale project, Oregon: For continuation of construction, \$850,000, of which amount not more than \$100,000 shall be available for the purchase of a proportionate share of interest in the existing storage reservoir of the Warm Springs project, and the unexpended balance of the appropriation for the fiscal year 1927 shall remain available for the fiscal year 1928."

Mr. CRAMTON. Mr. Chairman, under the Vale project we are buying a half interest in an existing reservoir, an old project, at a cost of something over \$600,000. Heretofore \$200,000 has been made available. This item is to make available another hundred thousand dollars, and for that purpose increases the appropriation for that project to that amount. The necessity for this comes from this fact. The contract between the new project and the old involves an agreement as to the construction of drainage, for which purpose the old project is to use \$450,000 of the price received for the half interest in the storage reservoir. Other developments have arisen since the bill was up in committee. The Bureau of Reclamation has received telegraphic advices as to the situation in the field and desire the authority and the money to be able to use \$100,000 for a further payment on the half interest in the storage reservoir in order that it may be available for use in further drainage construction. I ask unanimous consent to extend my remarks in the RECORD by inserting therein the statement of the Bureau of Reclamation and the statement of the Warm Springs irrigation district setting forth the situation.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

The statements referred to by Mr. CRAMTON are as follows:

UNITED STATES DEPARTMENT OF THE INTERIOR,  
BUREAU OF RECLAMATION,  
OFFICE OF THE COMMISSIONER,  
Washington, December 13, 1926.

HON. N. J. SINNOTT,  
House of Representatives.

MY DEAR MR. SINNOTT: Upon receipt of your letter of December 10, regarding the appropriations available and proposed for 1928 for the Vale project in Oregon, telegraphic request was made upon the Chief Engineer for an outline of the construction program for that project. His reply is as follows:

"Retel, 10th Warm Springs drainage. Present program provides for two electric drag lines, two shifts each, for which present appropriation, \$200,000, if continued, will be ample until June 30, 1928. As district desires favor progress, can put on third machine if \$100,000 additional is provided for drainage from Vale appropriation for 1928 balance included in 1929."

The contract with the Warm Springs irrigation district provides that not more than \$200,000 of the appropriation available for 1927 will be expended for drainage. This provision of the contract was overlooked at the time of preparing memorandum transmitted with office letter of December 3.

The justification presented to subcommittee in charge of the Interior Department appropriation bill proposes the expenditure of \$750,000 in 1928 for main canal construction. The bill (H. R. 14827), as introduced in the House, proposes the following items for Vale:

"For continuation of construction, \$750,000, and the unexpended balance of the appropriation for the fiscal year 1927 shall remain available for the fiscal year 1928."

In view of the desire of the district to have the drainage work progress as rapidly as possible, the bill should be so amended as to provide for expending additional money for drainage.

Very truly yours,

ELWOOD MEAD, Commissioner.

WARMSPRINGS IRRIGATION DISTRICT,  
Vale, Oreg., December 10, 1926.

HON. N. J. SINNOTT,

House of Representatives, Washington, D. C.

DEAR CONGRESSMAN: In further reply to your letter of November 29 containing copy of memorandum from Acting Commissioner Dent about which we wired you last night.

In section 4 of this memorandum it is stated that on October 30, 1926, there remained unexpended of the Vale project appropriation \$470,000, and that whatever remains unexpended after June 30, 1927, will be continued available during the fiscal year 1928, and may be used for drainage work of the Warm Springs irrigation district.

In section 2 of the same memorandum is quoted the language of the appropriation bill providing funds for the 1927 fiscal year. You will note that of the \$500,000 appropriated therein this clause, "that not more than \$200,000 of the amount herein appropriated shall be available for purchases of a proportionate interest in the existing storage reservoir of the Warm Springs project \* \* \*."

Now, the only money available for the drainage of the Warm Springs district is that appropriated for the purchase of an interest in the reservoir, and so can not be more than \$200,000. We expect this drainage work to be started in January, and if two dredges are used, as the engineer recommends, the money will be spent at the rate of \$20,000 per month, which will exhaust our appropriation by October, 1926. Without additional appropriation there will be no further drainage until the beginning of the fiscal year 1929.

It is expected to let a contract for the construction of the canals early in 1927, so there will be very little of the remaining appropriation of the Vale project not spent or encumbered by June 30, 1927.

As you know, the land in the Warm Springs district needs drainage very badly, and to procure this drainage the district has sold one-half interest in the reservoir to the Government. With the sale consummated, it has been expected that the drainage would be carried on as rapidly as possible, so that the lands could be reclaimed and the few remaining settlers saved from further loss. The drainage engineers have estimated the cost of the necessary drainage at \$450,000. Using two dredges, at an estimated monthly cost of \$20,000 per month, this work could all be completed in less than two years from time of starting, provided sufficient funds were available to carry the work on efficiently. However, if the work is carried on by one dredge, at an estimated expense of \$10,000 per month, it will require practically four years to complete the drains, and many of the settlers will have abandoned their farms in the meantime. Carrying this work on with only one dredge will also be more expensive, as practically the same expense for engineering and overhead will be necessary each month, whether the work is done in two years or in four years.

The settlers have held on here with the hope that some relief would be forthcoming from the sale of the interest in the reservoir so that they could save their farms and with the coming of the drainage engineers this fall many have been encouraged to stay, with the expectation that their lands would soon be drained and again made productive. Now, practically all of the drains laid out by the engineers are equally important, but of course all can not be excavated at once and some lands will be drained before others. If the work can be carried on expeditiously, those whose lands are not drained first will be willing to wait their turn, but if the work has to drag along or cease for lack of appropriations these settlers will give up and abandon their lands and make the burden that much heavier upon the remaining lands.

To carry the drainage work on efficiently there should not only be appropriated the unexpended balance of the present appropriation but also an additional \$200,000 for the 1928 fiscal year. Now, whether this is made as an additional appropriation or as a part of the present proposed appropriation for 1928 fiscal year for the Vale project is immaterial to us. If it is to be taken from the Vale project appropriation it might be made an indefinite amount, but just a clause added to the appropriation bill setting aside to apply on the purchase of an interest in the Warm Springs Reservoir sufficient to insure the continuous construction of the Warm Springs drainage employing two dredges.

We trust that you will be able to secure for us a sufficient appropriation from some source to insure the rapid construction of the necessary drainage.

With kindest regards, I am, yours very truly,

WARMSPRINGS IRRIGATION DISTRICT,  
By CHAS. L. BATCHELDER, Secretary.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?  
Mr. CRAMTON. Yes.

Mr. BANKHEAD. The gentleman stated that the proposed purchase of this half interest in this reservoir was to be made from an old project.

Mr. CRAMTON. Yes.

Mr. BANKHEAD. Does that mean an established, existing, and going reclamation project in the immediate vicinity of the Vale project?

Mr. CRAMTON. It is an established one. It is going now since they have gotten this relief.

Mr. BANKHEAD. Which way is it going?

Mr. CRAMTON. I think it is on the up grade now, but we brought salvation to them all right.

Mr. BANKHEAD. The object of my inquiry is this. It seems to me that if there were one project which the gentleman characterizes as an old project, it is rather strange that in that immediate vicinity and near enough to the old project to make this reservoir available to the water users in that section, the whole thing was not contemplated and covered in one project instead of two.

Mr. CRAMTON. Here is the situation. A private irrigation district some time ago built the reservoir in question. The reservoir has capacity for more acreage than they have in their district. Here is a proposition to take a new acreage, create a new district, and the Government has committed itself to buying the storage out of this existing reservoir and then constructing these canals and laterals necessary for the development of the new area. The financial condition of the old project was not such that they could have carried on that development, and it was not such that by carrying on that development they could utilize their storage; but by our carrying on the construction and utilizing the storage, we put cash in their hands that alleviates their financial situation.

Mr. BANKHEAD. Is the old project entirely an independent, private operation?

Mr. CRAMTON. Yes; we have no responsibility for the old one. The gentleman will find that in the hearings I express some dissatisfaction with the arrangement made because it was more favorable to the old project than was just to the Government, but that is a matter of administration that we could not correct.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

The Clerk read as follows:

#### HOWARD UNIVERSITY

Salaries: For payment in full or in part of the salaries of the officers, professors, teachers, and other regular employees of the university, the balance to be paid from privately contributed funds, \$150,000, of which sum not less than \$2,200 shall be used for normal instruction.

Mr. LOWREY. Mr. Chairman, I make the point of order against that paragraph. It is an appropriation not authorized by law.

Mr. CRAMTON. Mr. Chairman, this is a matter that has been threshed out repeatedly. Notwithstanding the House has passed a bill providing legislation, the bill has not yet passed the Senate and has not yet become a law. The Committee on Appropriations, however, in obedience to the view of the House, felt obliged to bring in the items recommended by the Budget for Howard University. The matter has been ruled on repeatedly by the Chair, and I am obliged to admit that the point of order is well taken.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

General expenses: For equipment, supplies, apparatus, furniture, cases and shelving, stationery, ice, repairs to buildings and grounds, and for other necessary expenses, including \$17,600 for payment to Freedmen's Hospital for heat and light, \$68,000.

Mr. LOWREY. Mr. Chairman, I make the same point of order as to that.

Mr. CRAMTON. I make the same concession.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

For the construction of one additional dormitory building for young women, \$150,000.

Mr. LOWREY. Mr. Chairman, I make the same point of order as to that.

Mr. CRAMTON. Mr. Chairman, I am extremely reluctant to concede the point of order. I make an appeal to the gentleman from Mississippi [Mr. Lowrey] to withhold his point of order and not make it as to this paragraph. This paragraph is for the purpose of providing dormitory facilities for the girls,

many of whom come from different States, country girls who are not used to the city or to being away from home. It is very much in the interest of their welfare that we should provide dormitory facilities here rather than to have them scattered in private families throughout the city. I appeal to the gentleman to withdraw his point of order.

Mr. LOWREY. Mr. Chairman, may I be permitted to proceed somewhat out of order without discussing the point of order, especially in response to the gentleman?

Mr. CRAMTON. The gentleman would be entirely within his parliamentary rights to withdraw the point of order.

Mr. LOWREY. I will not withdraw the point of order, but I would like to reply to the gentleman.

Mr. CRAMTON. Then I am obliged to concede the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. LOWREY. Mr. Chairman, I ask to proceed for five minutes.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent to proceed for five minutes. Is there objection?

Mr. BANKHEAD. Without any waiver of the gentleman's insistence on the point of order?

The CHAIRMAN. The point of order is conceded, and the point of order is sustained by the Chair. Is there objection? [After a pause.] The Chair hears none.

Mr. LOWREY. Mr. Chairman and members of the committee, several times I have spoken briefly in the House against this annual appropriation to Howard University. As long as I remain here I do not expect ever to let it pass without at least raising my voice against it. On that I am conscience bound. The question before us is simply this: Shall we fasten upon our Government permanently the policy of sustaining a great university for negroes in the Capital City? The Congress began these appropriations in 1879 with \$10,000. It has gone on from year to year until the total amount given to this institution out of the money of American taxpayers has reached about four and a half million dollars. And in recent years the annual appropriations have generally ranged between \$250,000 and \$600,000. Like all Government gratuities increase of appetite grows by what it feeds on.

The question is, Shall we stop it or shall we let it go on indefinitely?

First, I do not believe that in the present condition of the negro race a university education is the best way of helping him. He is most in need of a practical and industrial education to make him a thrifty, self-sustaining citizen. In this I am not opposing the advancement of the race. I think you will find me in exact agreement with Booker Washington, the greatest man of his race, and with Julius Rosenwald, that splendid Chicago philanthropist, who has given more money to negro education than any other one man has ever given, and who, in my opinion, has directed his gifts in the most sane and effective way. These two great friends of negro education have at least put great stress on the practical and the industrial.

But even if we admit all that anyone may claim as to the negro's need of college and university education, does it follow that we should provide for this by appropriations of Federal funds? For the hundreds of thousands of young white men and women of America the higher institutions of learning are provided by the State and by philanthropy. The Government gives elementary schools and industrial education to the Indians. But when members of that race want a real college education they find it without a university provided especially for them from the Federal Treasury.

Mr. CRAMTON. Will the gentleman yield? I want to ask the gentleman whether—

Mr. LOWREY. Without taking it out of my time.

Mr. CRAMTON. I guess the gentleman will have time for this; anyway, the gentleman could get a couple of more minutes. Can the gentleman say whether in Mississippi, the gentleman's State, the Indians are permitted to attend the public schools for whites, or are they permitted to attend public schools maintained for negroes? I ask that question for the reason it was developed in our hearing this year that in the State of North Carolina the Indians of that State are not permitted to attend any schools, either white or colored, and I wondered whether that was the case in the gentleman's State?

Mr. LOWREY. The schools are provided in my State by the Government for the Choctaws that are there.

Mr. CRAMTON. I am speaking about the laws of Mississippi.

Mr. LOWREY. I do not think there is any law with reference to it.



Mr. CRAMTON. What is the custom? Will they permit Indian children to come into the white public schools?

Mr. LOWREY. I do not think there is any law against it.

Mr. CRAMTON. You do not have to have laws there for everything.

Mr. LOWREY. I do not know there is any law on it.

Mr. JACOBSTEIN. If the gentleman will permit, does not the gentleman regard the appropriation made out of the Federal public funds in support of agricultural and mechanical colleges and State colleges on a parity with the appropriation here provided for Howard University, of which I approve?

Mr. LOWREY. Which institution?

Mr. JACOBSTEIN. In the hearings—

The CHAIRMAN. The time of the gentleman has expired.

Mr. JACOBSTEIN. I ask that the gentleman have two additional minutes.

Mr. LOWREY. I think I ought to have a little more than two minutes, because nearly all of my time has been taken up.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. JACOBSTEIN. The Mississippi Agricultural and Mechanical College, for instance. Howard University is doing splendid work and is entitled to Federal aid.

Mr. LOWREY. There is really no more reason for using Federal funds to maintain a university for negroes than for Indians or white people. I believe that nine men out of ten in this House would see it that way if they would simply lay aside all political considerations and all questions of personal or party popularity, and face this question squarely as a matter of correct or incorrect governmental policy. In saying this I do not mean to bring an ugly accusation against any of my colleagues, either Democrat or Republican. But the truth is that men of both parties and men, both North and South, have in private conversation suggested to me the purely political ground for continuing this appropriation. To put it very plainly they are afraid that voting against this appropriation will mean a loss of the "colored vote" to them or their party in certain localities. Now, honestly, have we a right to appropriate public funds for the purpose of obtaining votes? Much is being said just now about the illegitimate use of money to influence certain recent senatorial elections. I am in full sympathy with the criticisms that fill the newspapers on this subject. I think the man that undertakes to buy an election with either his own money or that contributed by his friends deserves to be politically damned. But such a man is at least on higher ground than the man who uses the trust funds committed to him by the American taxpayers for a similar purpose.

But I come back to the assertion that there is neither practical nor fundamental reason for maintaining this institution by the appropriation of Government funds. Without any congressional aid to Howard the negro race are as well provided for in the matter of college education as either the Indian race or the white race. Throughout the North the colleges and universities generally are open to all races alike, and there are, besides some well-equipped colleges for the negro race alone. In the South where the large majority of this race live, they have colleges in every State, maintained by both State government and philanthropy, which are as well equipped and sustained as the average college for white students. In fact there are some Southern States where the provision for the negro race is more adequate than the provision for the whites, when we consider the number of young people in each race who are prepared for college. There are reasons why this is true. First, the southern legislatures are providing well for the schooling of the negro at State expense. Second, every Southern State has a large number of negro schools provided for by philanthropy—largely northern philanthropy. Of this latter class there are at least nine boarding schools in my own State. Five of these, and perhaps more, do a college grade of work and have buildings, equipment, and support averaging well with the other boarding schools in the State. I am sure that the Southern States generally, from Virginia to Texas, compare well with Mississippi, in this particular.

Then what valid reason can anyone give why we should disregard all established precedent and principle and support this one and only university by giving it the taxpayers' money which is certainly not committed to us for such a purpose. Some of my good friends make the plea that this is the only school that can really supply the need of the "colored people" for doctors, dentists, and nurses. Admit this, and we only make the appeal to charity more irresistible. Booker Washington said to a Member of this House that the good people of New England would give him anything he asked for his work at Tuskegee. So strong is the appeal of negro education to northern charity that it builds, equips, and maintains an average of one boarding

school to every congressional district in my State. And about an equal number in other Southern States.

And again I call attention to the fact that the \$5,000,000 campaign for Tuskegee and Hampton went over with an ease that makes the average college-endowment campaign look like a dime with a hole in it. And one issue of a Chicago paper was able to make announcement of \$8,000,000 given to negro education.

Of course, as long as Congress appropriates the money of the taxpayers to maintain Howard, philanthropy will not assume the burden. Yet I am thoroughly confident that when we withdraw, philanthropy will step in. Let it be announced to-morrow that the United States Government, after having built this institution up to its present large proportions, now withdraws from it and leaves it to be supported by voluntary gifts; then emphasize if you will that it is the only school offering first-rate advantages for doctors and nurses to serve the "colored population." If we can at all judge the future by the past, Howard would still be well provided for.

But again, if I granted everything claimed by the proponents of this measure, I should still feel that we had no moral right to make these appropriations. I should be driven to this position by the convictions which I expressed on this floor when we were considering the appropriation to the starving people of Europe. In my home State I had been on a committee to raise money for Far East Relief. I had given my Sundays to speaking in churches and elsewhere, pressing upon our people the duty of contributing to this worthy cause. Yet when it came to appropriating the money out of the Government Treasury I maintained, and still maintain, that we had neither legal nor moral right to do it. Our Constitution and our laws define the purposes for which we may use the money entrusted to us by the American taxpayers. Beyond those limitations we have no right to go.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. CRAMTON. Mr. Chairman, I ask unanimous consent, unless the gentleman from Mississippi [Mr. LOWREY] desires to amend it in the Senate, to have line 14, page 97, stricken out. That is simply the title.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the words "Howard University," on line 14 of page 97, be eliminated. The Chair understood that it had already been eliminated, but there is no objection to the general elimination. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### FREEDMEN'S HOSPITAL

For officers and employees and compensation for all other professional and other services that may be required and expressly approved by the Secretary of the Interior, \$113,000.

Mr. HAMMER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from North Carolina is recognized.

Mr. HAMMER. I rise for the purpose of stating that a certain statement in the testimony before the Committee on Appropriations as to the Hooper School in North Carolina is inaccurate. All the people in North Carolina have public-school facilities, and there is equality in all our schools. On the Wayne Reservation, where there are 3,000 Indians, there are no white people. There are other Indians in the State, and Indians are permitted to go to the white schools if they have no negro blood in them. If they are negroid, they are classified as "colored," and are required to attend school by law. That is a compulsory provision.

Mr. CRAMTON. I am glad to have the information given by the gentleman.

The CHAIRMAN. The pro forma amendment is withdrawn. The Clerk resumed and completed the reading of the bill.

Mr. CRAMTON. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MICHENER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 14827) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1928, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. CRAMTON. Mr. Chairman, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. McKEOWN. Mr. Speaker, I move to recommit.

The SPEAKER. The gentleman from Oklahoma moves to recommit the bill. The Clerk will report the motion.

The Clerk read as follows:

Mr. McKEOWN moves to recommit the bill to the Committee on Appropriations with instructions to report the bill back immediately with the following amendment: On page 86, after line 25, insert a new paragraph to read:

"None of the appropriations contained in the acts for the National Park Service shall be available for any expenditures in the collection of charges in excess of \$2 for issuing of automobile permits which permit the holder to enter any national parks."

Mr. BYRNS. Mr. Speaker, I reserve a point of order on the motion to recommit. Is the gentleman from Michigan going to make it?

Mr. CRAMTON. I yield to the gentleman from Tennessee to make the point of order.

Mr. BYRNS. I make the point of order, Mr. Speaker, to the motion to recommit. It is new legislation and imposes new duties on the executive department in the guise of a limitation. That amendment is the same paragraph as was contained in the bill as reported by the Committee on Appropriations, and it was ruled out of order by the Chairman of the Committee of the Whole.

Mr. CRAMTON. If the gentleman from Tennessee will yield, he will recognize that having made the argument yesterday to the effect that the provision is in order, I have not felt it incumbent upon myself to make a speech on the other side to-day. It is true that the decision of the Chair was, unfortunately, as the gentleman has stated.

Mr. McKEOWN. Mr. Speaker, the amendment is a proper limitation, as was explained yesterday. It does not involve the imposition of new duties. It is a limitation on the expenditure of the money.

The SPEAKER. The Chair was not present when the ruling was made touching this point, and is not familiar with it. It seems to the Chair that this is plainly legislation.

Mr. McKEOWN. I will state to the Speaker that this is a limitation upon the expenditure of this money, to allow them to collect not more than a \$2 fee for automobile permits to enter any one of the national parks. It does not prohibit them from charging more than \$2. They are permitted now to charge \$5 and in some instances \$7.50. If this motion to recommit is not within the rule as to limitations upon an appropriation bill, I do not know how to draw one. The bill contained a limitation to put some extra duty on an executive officer, and it was properly sustained. In this amendment I wanted to be fair to the parks where they charge a \$2 fee. I do not want to destroy them, but I wanted to limit the fee to any one park in the United States to not more than \$2. Visitors ought not to pay more than \$2.

The SPEAKER. The Chair thinks this goes further than a mere limitation, and prescribes a duty by limiting the amount of the charge to automobiles. The Chair is clearly of the opinion that it is legislation.

Mr. McKEOWN. I do not want to dispute the ruling of the Chair, but it is not in accordance with my opinion.

The SPEAKER. The question is on the passage of the bill. The question was taken, and the bill was passed.

On motion of Mr. CRAMTON, a motion to reconsider the vote whereby the bill was passed was laid on the table.

#### REHABILITATION OF THOMAS V. FIELDS

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent that the gentlewoman from New Jersey be permitted to address the House for two minutes.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the gentlewoman from New Jersey be permitted to address the House for two minutes. Is there objection?

There was no objection.

Mrs. NORTON. Mr. Speaker, it is my privilege to-day to do rather a rare thing—in fact, I wonder if it has ever been done before—to extend the thanks of a disabled soldier to the Mem-

bers of the House for legislation enacted by them, in order that these war-weary boys may be able to rehabilitate themselves and start anew on their way to success in life.

A constituent of mine, a young man disabled through the World War, writes me to express his gratitude to this honorable body, and it recalls to my mind the words of Edgar Guest:

The gentleman shall always gentle be

Whatever laws the Government may make;

These things shall stand till life's last thread shall break—

Honor and faith and mirth and courtesy.

I take pleasure in reading Mr. Thomas V. Field's letter of appreciation and ask that it be printed in the RECORD:

JERSEY CITY, N. J., December 14, 1926.

Hon. MARY NORTON,

House of Representatives, Washington, D. C.

DEAR MRS. NORTON: On June 30 of this year I was rehabilitated as a beneficiary of the United States Veterans' Bureau in a law course, and as a result thereof I was admitted to practice at the New Jersey bar.

I will appreciate if you will in some way advise the House of Representatives that I am deeply grateful for the legislation enacted which made it possible for me to again become an active participant in a civilian pursuit.

Very truly yours,

THOMAS V. FIELDS.

[Applause.]

HOWARD UNIVERSITY

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. REED of New York. Mr. Speaker, it is indeed regrettable that a point of order should be raised against the item for Howard University. It was the hope of the majority of the Committee on Education when it reported out House bill S466 in the first session of this Congress, and which received favorable action in the House on July 1, 1926, that it would eliminate this round-about way of taking care of the needs of a very worthy institution. Unfortunately this measure was not passed until the last days of the session, which made it impossible for the Senate to pass it before adjournment. The bill is still pending in the Senate, and those who are the friends of the colored people, those who sympathize with them in their effort and their aspiration to prepare themselves as useful citizens, ardently hope that this measure will receive favorable action in the Senate at this session.

This remarkable university, which started with 5 students and which now has 2,000 students, made up of 1,400 boys and 600 girls, is a credit to the Nation and to those legislators who have fought in its behalf. It has more than justified itself in the character of the students that it has sent out into the world as leaders in almost every profession and vocation. It has been in existence and has had the support of Congress for half a century and has over 6,700 graduates at work in all of the States of the Union and in foreign countries.

There is no one who can successfully challenge the great and almost marvelous work which this institution has done for the well-being of the colored race. Not only this, the white race has benefited greatly from the research work carried on by this institution. Although located in the Capital City of the Nation it is not local in scope or character. This is shown by a list of the States and number of students from each, which I here insert:

Howard University geographical distribution

States and foreign countries	Liberal arts	Education	Applied science	Music	Religion	Law	Medicine	Dentistry	Pharmacy	Total
STATES										
Alabama.....	13	3	4	2	1		2	1	3	29
Arizona.....	1	1	1			1	1			5
Arkansas.....	13	1	2	1			1	3		21
California.....	6	1				2	4	2		15
Colorado.....	3	1	1	1					1	7
Connecticut.....	11	2	3			1	5	3	2	27
Delaware.....	6	1					3	1		11
District of Columbia.....	284	166	28	33	22	20	28	10	7	598
Florida.....	12	3		1	3	1	5	4	3	32
Georgia.....	20	5		2	2	4	8	2	3	46
Illinois.....	6	5		2	2		8	1	2	24
Indiana.....	6	4	2	2	2		2	2		20
Iowa.....	1						2			3
Kansas.....	12					1	1			14
Kentucky.....	19	2	4	2	3		4		1	35
Louisiana.....	15	3			3		5		3	29



## Howard University geographical distribution—Continued

States and foreign countries	Liberal arts	Education	Applied science	Music	Religion	Law	Medicine	Dentistry	Pharmacy	Total
<b>STATES—continued</b>										
Maryland.....	39	32	8	3	9	7	12	1	4	115
Massachusetts.....	12	4	1	1	1	1	2	4	2	26
Michigan.....	5	1	1	1	1	1	4	1	1	11
Mississippi.....	8	1	1	1	1	1	3	2	1	15
Missouri.....	16	11	3	1	1	1	3	2	2	39
Nebraska.....	3	1	1	1	1	1	1	1	1	11
New Jersey.....	52	28	3	2	6	3	12	10	3	119
New York.....	36	5	5	1	1	2	24	18	6	98
North Carolina.....	49	12	3	1	4	6	8	6	9	98
Ohio.....	19	3	1	1	7	3	3	1	2	38
Oklahoma.....	3	3	1	1	1	5	1	1	1	14
Oregon.....	1	1	1	1	1	1	1	1	1	8
Pennsylvania.....	66	19	6	3	7	4	7	6	5	123
Rhode Island.....	5	1	1	1	1	1	1	2	1	11
South Carolina.....	24	3	1	1	4	3	4	1	2	42
South Dakota.....	1	1	1	1	1	1	1	1	1	8
Tennessee.....	9	5	3	1	1	2	1	1	1	21
Texas.....	32	10	1	1	1	4	8	3	2	62
Virginia.....	61	27	5	1	15	10	24	13	8	164
West Virginia.....	12	10	3	1	2	2	7	1	1	36
Wisconsin.....	1	1	1	1	1	1	1	1	1	9
<b>FOREIGN COUNTRIES</b>										
Africa.....	1	1	1	1	5	1	1	1	1	9
British West Indies.....	14	1	1	1	7	1	6	1	1	29
British Guiana, South America.....	9	1	1	1	2	1	5	2	1	18
Canada.....	4	1	1	1	1	1	1	1	1	11
Canal Zone.....	1	1	1	1	1	1	1	1	1	8
Central America.....	1	1	1	1	1	1	1	1	1	8
Cuba.....	1	1	1	1	1	1	1	1	1	8
Dominican Republic.....	1	1	1	1	1	1	1	1	1	8
Jamaica.....	1	1	1	1	1	1	1	1	1	8
Porto Rico.....	2	1	1	1	1	1	1	1	1	9
Republic of Colombia.....	1	1	1	1	1	1	1	1	1	8
Virgin Islands.....	1	1	1	1	1	1	1	1	1	8
<b>Total.....</b>	<b>912</b>	<b>372</b>	<b>88</b>	<b>59</b>	<b>114</b>	<b>88</b>	<b>226</b>	<b>101</b>	<b>72</b>	<b>2,032</b>

Evening classes, 115.

The time has come when this annual demonstration of opposition should cease. The policy of aiding Howard University has continued now for 48 years. This policy has justified itself in the eyes of the Nation and has had the hearty approval of those who wish to see the colored race become, in the best sense of the term, useful, law-abiding, educated citizens. It is a long step from bondage to the splendid position which the colored man now occupies in the professional, industrial, and educational activities of the Nation, and this, it must be conceded, is due to the educational facilities which he has enjoyed. This is no time to take a backward step, but, on the contrary, in the light of the conspicuous results obtained by Howard University the Federal Government should continue to lend its encouragement and aid.

I hope that before another session of Congress House bill 8466 will have been passed by the Senate, thus authorizing the annual appropriation and preventing the spectacle of this worthy item being struck out on a point of order as has occurred to-day.

## AGRICULTURAL APPROPRIATION BILL

Mr. MAGEE of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 15008) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1928, and for other purposes. Pending that motion, I ask unanimous consent that the time for general debate be limited to four hours, one-half to be controlled by the gentleman from Texas [Mr. BUCHANAN] and one-half by myself.

The SPEAKER. The gentleman from New York moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 15008, the agricultural appropriation bill. Pending that motion, he asks unanimous consent that general debate be limited to four hours, one-half to be controlled by himself and one-half by the gentleman from Texas [Mr. BUCHANAN]. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from New York.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 15008) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1928, and for other purposes, with Mr. TREADWAY in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 15008, which the Clerk will report by title.

The Clerk read the title of the bill.

Mr. MAGEE of New York. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from New York asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. MAGEE of New York. Mr. Chairman and members of the committee, I desire to express my appreciation of the hearty cooperation of my associates upon the subcommittee in the preparation of this bill. I also desire to express the appreciation of the subcommittee for the efficient services rendered by Mr. Sheild, chief clerk of the Committee on Appropriations of the House, and by Mr. Barta, clerk of the subcommittee.

In presenting the agricultural appropriation bill for the fiscal year 1928 I wish to discuss briefly some of the more important features of the bill. For a detailed explanation of the recommendations of the committee I commend, for your consideration, the report which accompanies this bill.

In brief, the total of the estimates considered by the committee aggregated \$133,136,576, of which sum \$82,500,000 was for the construction of roads under the provisions of the Federal highway act. The total amount recommended to be appropriated is \$128,362,385, a reduction of \$4,774,185 in the Budget estimates. Exclusive of appropriations for road-construction purposes, the recommendations of the committee represent an actual increase over the Budget estimates for strictly departmental activities of \$225,815.

## WEATHER BUREAU

In connection with the collection and dissemination of meteorological information of use in weather forecasting the Secretary of Agriculture is authorized to enter into contracts and fix rates for such necessary telegraph and telephone service as may be required. Fifteen of the smaller companies entered into formal contracts with the Department of Agriculture for such service, and prior to July 1, 1926, the Western Union Co. furnished similar service under an informal agreement at rates comparable with those of the other companies. However, the Western Union Co. demanded increased rates, and because of the fact that the company was furnishing this service under an informal arrangement, the Secretary of Agriculture was enabled to meet their demand by money specifically appropriated for this purpose in the first deficiency act for 1926. The increased cost of the service by the Western Union Co. is \$168,312. Because the service being furnished by the other companies is under a formal agreement, the contracts having a renewal clause in them, the Comptroller General has ruled that the Secretary of Agriculture is without legal authority to terminate these contracts in order that the rates being paid for similar service may be made uniform. To adjust this inequity and to enable the Secretary of Agriculture to enter into formal contracts for telegraph and telephone service, the committee has inserted authority permitting the Secretary to terminate by agreement these inequitable contracts in order that the rates may be made uniform for all companies performing similar service. It is estimated that the additional cost will be approximately \$20,000, which will adjust contracts with about 15 companies, as compared with the sum of \$168,312 necessary to adjust the rates of the Western Union Co. alone.

Mr. BRIGGS. Will the gentleman yield?

Mr. MAGEE of New York. Yes.

Mr. BRIGGS. I want to ask the gentleman whether the Weather Bureau is provided in this bill with sufficient funds to carry on its activities in the most efficient way? Recently it was brought to my attention that the Weather Bureau seemed to be rather circumscribed with reference to carrying on its activities or in expanding them in any way by reason of a very limited appropriation, and I was wondering whether, if it became necessary to employ additional men for essential service, they would have an opportunity to do that. I know that in one instance some arrangement had to be made by which an extension phone was installed in the home of one of

its employees whereby he agreed during his vacation to be accessible whenever wanted, and that was made necessary because they did not have funds enough to employ an additional man or two during an emergency period.

Mr. MAGEE of New York. We have made, I think, for this fiscal year very liberal provision for the Weather Bureau. My understanding is that they are given in this bill substantially all that they asked for.

Mr. BRIGGS. Does the gentleman mean all that the Budget allowed them or all that they asked for?

Mr. MAGEE of New York. I understand practically all the department asked for. The committee has never felt it ought to take the responsibility of recommending a larger appropriation than the department requested.

Mr. BRIGGS. I can understand that, just so long as the bureau has not been cut down too much by the Budget and then only the Budget estimate allowed. Now, one other question. Has any provision been made in the bill for cooperation between the Weather Bureau and the various naval compass stations and radio stations, and has any arrangement been made with commercial radio organizations for weather reports, so as to get the increased efficiency in weather reporting which might be obtained through those agencies?

Mr. MAGEE of New York. I understand the department cooperates in every reasonable way with other agencies.

Mr. BRIGGS. There was not any special reference made in the hearings with reference to these particular activities?

Mr. MAGEE of New York. I do not recall any.

#### BUREAU OF ANIMAL INDUSTRY

For the eradication of tuberculosis in animals the committee recommends an appropriation of \$5,964,000 for the fiscal year 1928. Of this sum \$1,086,000 is to be expended for operating expenses and \$4,878,000 for the payment of indemnities. I believe that all members of the committee are familiar with the object of this work, which is to arrest the spread of tuberculosis among livestock through campaigns for the control and eradication of this disease, in cooperation with State agencies. This appropriation represents the contribution of the Federal Government in the shape of indemnities for animals slaughtered and in the general supervision of the work. The movement was started as a Federal-aid proposition, and the States look to the Federal Government for leadership. Contributions by the States toward the prosecution of the eradication campaigns amount to approximately \$11,000,000 per annum. The amount set aside for operating expenses is used for the salaries of veterinarians, traveling expenses, maintenance of office forces in each State, and miscellaneous administrative expenses.

You will note in the bill that of the appropriation recommended \$1,192,000 is made immediately available, to meet any anticipated deficiencies in the appropriations for the current fiscal year. The sum recommended to be appropriated is \$1,200,000 more than the appropriation for 1927.

As you will remember, last year there was a campaign to increase the amount to \$6,000,000. The position of the subcommittee at that time was that it could have only two bases for recommending an appropriation, one an estimate from the Bureau of the Budget and the other a request from the Secretary of the department. I have always been very greatly interested in this work, and it certainly has been a great pleasure for me to vote for this materially increased appropriation for 1928 in accordance with the recommendation of the Bureau of the Budget.

#### BUREAU OF PLANT INDUSTRY

For the control of the white-pine blister rust the committee recommends an appropriation of \$471,520, which is an increase of \$100,000 over the amount appropriated for the current year. It is proposed that this increase shall be expended in the western United States, where the Federal Government owns approximately 50 per cent of the total white pine. The value of the white pine in the West is placed at \$322,500,000, and the committee feels that the increase granted is a sound investment in the protection of one of the Government's greatest assets.

This appropriation is \$100,000 in excess of the recommendation of the Budget. The fact, as we understand, is that a large part of the appropriation for this fiscal year is used in the East, under an arrangement made between the Department of Agriculture and the New England and Middle States. We felt we did not want to disturb that arrangement, because the department said it is making very material and satisfactory progress in the control of this blister rust. At the same time we felt the Northwest ought to be as well taken care of as the

Eastern States, and for that reason we recommended the additional appropriation of \$100,000 to meet the situation in the Northwestern States.

#### BUREAU OF CHEMISTRY AND SOILS

The committee concurs in the recommendation of the Secretary of Agriculture and the Budget in establishing a bureau of chemistry and soils in the Department of Agriculture, which will take over all the research work of the department on chemistry and soils. Heretofore the Bureau of Chemistry, in addition to research problems, has been charged with the enforcement of certain regulatory acts, such as the food and drugs act, the tea importation act, and so forth. Under the proposed consolidation all enforcement activities will be conducted by another new agency, to be known as the food, drug, and insecticide administration. This will include work under the food and drugs act, tea act, naval stores act, collaboration with other departments of the Government in the administration of various laws requiring analytical work for their proper enforcement, and the enforcement of the insecticide act.

#### BUREAU OF ENTOMOLOGY

I desire to discuss but one subject under the Bureau of Entomology, appropriations for the prevention of the spread of the European corn borer. The committee recommends the sum of \$685,120, of which \$50,000 shall be immediately available. Recent field surveys have not only determined that this formidable pest has invaded two additional States—Indiana and West Virginia—but that it has spread to some 20,000 square miles of additional territory in New York, Pennsylvania, Ohio, West Virginia, and Michigan, and that the number of borers present has greatly increased during the year. The encroachment of this pest on the eastern edge of the Corn Belt presents an emergency requiring the immediate establishment of quarantine lines on all principal highways at the edge of the infested regions. No satisfactory method of control or eradication has yet been devised, but I am sure that when some feasible plan has been developed the Committee on Appropriations will not be niggardly in giving that plan all the financial assistance necessary.

Mr. KETCHAM. Will the gentleman yield at that point?

Mr. MAGEE of New York. Yes.

Mr. KETCHAM. The gentleman is aware, of course, that there is a concerted movement on the part of the States that are directly affected by the invasion of this corn borer for a very intensive campaign, anticipating a very much larger appropriation. Is the gentleman in position, by reason of the hearings, to indicate what the attitude would be, generally speaking? Did this committee appear before you?

Mr. MAGEE of New York. I can give the gentleman the attitude of the subcommittee.

Mr. KETCHAM. That is what I would like to know.

Mr. MAGEE of New York. I feel and my associates feel that this pest is a very grave menace to the corn-growing States; that there ought to be the adoption of a policy to be pursued at the earliest practicable moment; and that when that policy has been determined upon, any moneys required to carry it out should be promptly appropriated.

Mr. KETCHAM. Did the hearings disclose any new effort along the line of discovery of any other sort of insect that would prey upon the corn borer, as has been the case with respect to other pests?

Mr. MAGEE of New York. My own impression is that no one knows to-day what to do to meet this menace. I understand there have been some conferences between representatives of the States affected and the administration. I think the subcommittee feels that affirmative action ought to be promptly taken.

Mr. KETCHAM. I am sure, speaking for those of us who come from that section of the country, that we appreciate this favorable attitude of the committee.

Mr. COLE. Will the gentleman yield?

Mr. KETCHAM. If the gentleman from Iowa will permit me just a moment. At the present moment, as I understand it, the committee feels that the appropriation provided here is entirely adequate for all the present means we have of combating this pest.

Mr. MAGEE of New York. The subcommittee recommends all the department has requested. It is not a question of money. So far as I am concerned, I would just as soon vote to recommend several million dollars as I would the amount carried in this bill, provided a policy should be adopted so that the department will know how to proceed in the most effective way to meet this menace.



Mr. COLE. Is it not true that a policy has been adopted?  
Mr. MAGEE of New York. Not that I know of.

Mr. COLE. I understood from a well-known chemist that the only policy possible was the destruction of all the stalks in the infected fields, and not only the stalks but all the vegetation.

Mr. KETCHAM. That is possible at the present time.

Mr. COLE. That is the only policy that has been devised so far.

Mr. MAGEE of New York. The subcommittee feels, I may state to the gentleman from Iowa, that Representatives of the States affected and the administration ought to get together and determine upon a policy and present it to the Congress with a request for appropriations to carry it out. Those appropriations can be taken care of in a deficiency bill.

#### ROAD ITEMS

For the construction of roads and trails the committee recommends an appropriation of \$6,500,000 for the fiscal year 1928. This sum is \$1,500,000 in excess of the appropriation for 1927, but is \$1,000,000 less than the Budget estimate. Since the fiscal year 1923 the policy has been followed of not appropriating the full amounts currently authorized, but only so much as was required to cover the actual disbursements year by year. That, as I understand it, is the plan instituted by the chairman of the Committee on Appropriations in 1922, making it applicable both to forest roads and trails and also the Federal highway system. Thus the amount actually recommended in the bill is practically immaterial, because under the plan obligations of the Government are met as they accrue, either in the regular annual appropriation bills or in a deficiency bill.

I desire to particularly commend the Chief of the Bureau of Public Roads, Mr. MacDonald, for the efficient record which the hearings show that he has made during the past year. He states that he will have an estimated unexpended balance on July 1, 1927, of at least \$3,000,000. The recommendation of the Budget for the fiscal year 1928 is \$75,000,000. In view of the estimated unexpended balance for this fiscal year, the committee is confident that the recommendation of \$71,000,000 in this bill will be entirely sufficient.

Mr. HASTINGS. Will the gentleman yield?

Mr. MAGEE of New York. Yes.

Mr. HASTINGS. I only heard the last part of the gentleman's statement. As I understand it, in the last paragraph of this bill there is only \$71,000,000 appropriated for Federal aid to roads. Has the subcommittee taken into consideration that a great many of the States throughout the Union have anticipated that the full appropriation would be made for

this next year? Authorizations are made for two years, and as we have understood and as the various States have understood, I take it, certainly I know my State has so understood, provision has been made for appropriations in these various States, believing they would get a certain amount from the Federal Government. Of course, the pro rata part of each State—

Mr. MAGEE of New York. I will say to the gentleman that he probably did not hear the prior statement which I made.

Mr. HASTINGS. I only heard the very last statement which the gentleman made.

Mr. MAGEE of New York. It is immaterial whether we put in this bill \$71,000,000 or \$50,000,000, because, as I stated, under the plan which was adopted in 1922 we appropriate to meet the obligations of the Government as they accrue.

Mr. HASTINGS. How can any State anticipate what its share of this fund is going to be next year? The pro rata share of our State will be out of the \$71,000,000 instead of \$75,000,000.

Mr. MAGEE of New York. The department will probably have an unexpended balance of at least \$3,000,000.

Mr. HASTINGS. Has he authority to use the unexpended balance?

Mr. MAGEE of New York. Let me explain to the gentleman. In the last deficiency bill there was an item of \$22,000,000. It makes no difference whether the amount required is recommended by the committee or carried in a deficiency bill.

Mr. HASTINGS. This is an item that we are all very deeply interested in.

Mr. MAGEE of New York. If the gentleman will read the hearings and the statements, he will see that it is immaterial whether it is carried in the appropriation bill or in a deficiency bill. One year the committee recommended only \$13,000,000.

To present more clearly the status of appropriations authorized and appropriations to date, I will append, as a part of my remarks, several statements giving the exact status of road-building funds under the provisions of the Federal highway act for both forest roads and trails and the cooperative construction of post roads.

Mr. Chairman, I will append as a part of my remarks several statements giving the exact status of the road-building fund.

The CHAIRMAN. The gentleman from New York asks unanimous consent to insert certain tables and statements in his remarks. Is there objection?

There was no objection.

The statements are as follows:

*Apportionments and appropriations of the section 8, forest highway and forest development funds for the construction of forest roads and trails by fiscal years*

Authorized by Congress	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	Total
<b>Authorized for appropriation:</b>													
Act of July 11, 1916 (39 Stat. 355)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000			\$10,000,000
Act of Nov. 9, 1921 (42 Stat. 212)						5,000,000	10,000,000						15,000,000
Act of June 19, 1922 (42 Stat. 660)								6,500,000	6,500,000				13,000,000
Act of Feb. 12, 1925 (43 Stat. 889)										7,500,000	\$7,500,000		15,000,000
Act of June 22, 1926 (44 Stat. 760)												\$7,500,000	7,500,000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>6,000,000</b>	<b>11,000,000</b>	<b>7,500,000</b>	<b>7,500,000</b>	<b>8,500,000</b>	<b>7,500,000</b>	<b>7,500,000</b>	<b>60,500,000</b>
<b>Appropriations:</b>													
Act of July 11, 1916 (39 Stat. 355)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000			10,000,000
Act of Nov. 9, 1921 (42 Stat. 212)						5,000,000	10,000,000						15,000,000
Act of Feb. 26, 1923 (42 Stat. 1321)								3,000,000					3,000,000
Act of June 5, 1924 (43 Stat. 460)								3,500,000	2,500,000				6,000,000
Act of Feb. 10, 1925 (43 Stat. 852)									4,000,000				4,000,000
Act of Mar. 3, 1926 (44 Stat. 171)										3,775,000			3,775,000
Act of May 11, 1926 (44 Stat. 530)										3,725,000	1,275,000		5,000,000
<b>Totals</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>6,000,000</b>	<b>11,000,000</b>	<b>7,500,000</b>	<b>7,500,000</b>	<b>8,500,000</b>	<b>1,275,000</b>		<b>46,775,000</b>
<b>Balance unappropriated</b>											<b>6,225,000</b>		<b>6,225,000</b>
<b>Expenditures</b>	<b>28,750</b>	<b>167,406</b>	<b>548,765</b>	<b>1,491,341</b>	<b>1,213,170</b>	<b>1,583,822</b>	<b>6,643,148</b>	<b>8,562,456</b>	<b>9,835,699</b>	<b>9,320,180</b>	<b>110,516,623</b>		<b>139,596,737</b>

<sup>1</sup>Estimated.

<sup>2</sup>Actual to 1926, inclusive.

*The cooperative road construction situation*  
[Apportioned for construction and administration]  
APPROPRIATIONS AUTHORIZED BY CONGRESS BY FISCAL YEARS

Act	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	Total
Act of July 11, 1916 (39 Stat. 355)	\$5,000,000	\$10,000,000	\$15,000,000	\$20,000,000	\$25,000,000								\$75,000,000
Act of Feb. 28, 1919 (40 Stat. 1200)			50,000,000	75,000,000	75,000,000								200,000,000
Act of Nov. 9, 1921 (42 Stat. 212)						\$75,000,000							75,000,000
Act of June 19, 1922 (42 Stat. 660)							\$50,000,000						50,000,000
*Act of Feb. 26, 1923 (42 Stat. 1321)								\$65,000,000					65,000,000
*Act of June 5, 1924 (43 Stat. 460)									\$75,000,000				75,000,000
Act of Feb. 12, 1925 (43 Stat. 889)										\$75,000,000	\$75,000,000		150,000,000
Act of June 22, 1926 (Public 411, 69th Cong.)												\$75,000,000	75,000,000
Total	5,000,000	10,000,000	65,000,000	95,000,000	100,000,000	75,000,000	50,000,000	65,000,000	75,000,000	75,000,000	75,000,000	75,000,000	765,000,000

NOTE.—The act of June 19, 1922, carried authorizations for fiscal years 1923, 1924, and 1925 (\*) dates of acts authorizing apportionment of funds previously authorized by act of June 19, 1922.

APPROPRIATIONS MADE BY CONGRESS, BY FISCAL YEARS

Act of July 11, 1916 (39 Stat. 355)	\$5,000,000	\$10,000,000	\$15,000,000	\$20,000,000	\$25,000,000								\$75,000,000
Act of Feb. 28, 1919 (40 Stat. 1200)			50,000,000	75,000,000	75,000,000								200,000,000
Act of Nov. 9, 1921 (42 Stat. 212)						\$75,000,000							75,000,000
Act of Jan. 22, 1923 (42 Stat. 1157)							\$25,000,000						25,000,000
Act of Feb. 26, 1923 (42 Stat. 1321)								\$29,300,000					29,300,000
Act of June 5, 1924 (43 Stat. 460)									\$13,000,000				13,000,000
Act of Feb. 10, 1925 (43 Stat. 852)						25,000,000	35,700,000	15,300,000					76,000,000
Act of Mar. 3, 1926 (Public 36, 69th Cong.)									22,900,000				22,900,000
Act of May 11, 1926 (Public 214, 69th Cong.)									23,800,000	\$51,200,000			75,000,000
Total	5,000,000	10,000,000	65,000,000	95,000,000	100,000,000	75,000,000	50,000,000	65,000,000	75,000,000	51,200,000			591,200,000

TOTAL EXPENDITURES, BY FISCAL YEARS

1917	\$34,337.85	1924	\$80,447,823.78
1918	574,816.30	1925	97,472,506.13
1919	2,915,282.76	1926	89,362,110.64
1920	20,240,774.24	1927 (estimated)	78,600,000.00
1921	57,462,768.07	1928 (estimated)	75,000,000.00
1922	89,946,603.64		
1923	71,604,708.75	Total (actual to June 30, 1926)	510,161,732.16

Mr. MAGEE of New York. If any Member has any questions to ask I will try to answer them.

Mr. O'CONNOR of Louisiana. Does the gentleman know whether the legislative committee or the Appropriations Committee has contemplated the building of a national road running east and west from coast to coast or one running from the Canadian line to the Gulf?

Mr. MAGEE of New York. We only appropriate after the roads are authorized.

Mr. O'CONNOR of Louisiana. The question was suggested by the fact Senator DU PONT a few days ago introduced a bill to build a great national highway from the Atlantic coast to the Pacific coast. I thought that probably the gentleman had some knowledge of that particular bill.

Mr. MAGEE of New York. I noticed that such a bill would be introduced.

Mr. O'CONNOR of Louisiana. Undoubtedly there is great interest in the old Spanish trail, and a good many believe that it would be of great military value if that road could be built from ocean to ocean running through the Southern States. I made a trip over the Jefferson Highway last summer, and it is my idea that money should be provided to build a real national highway.

Mr. WILLIAMSON. I am very much interested in the work of exterminating predatory animals throughout the country. In my State there was expended for 1926 an appropriation of \$13,613. For the year 1927 there is only appropriated \$12,800, a reduction of nearly \$1,000. In my district in South Dakota, as the gentleman knows, there are four or five Indian reservations, and we have considerable public land. We have three national forests. These are natural breeding grounds for predatory animals, and for my part it is difficult to see why there should be a reduction in the appropriation.

Mr. MAGEE of New York. There is no reduction in the amount recommended by the subcommittee. If the gentleman is not satisfied with the amount that his State is receiving, that is a question to be taken up with the department.

Mr. WILLIAMSON. I am taking the report of Mr. Henderson, of the Biological Survey, and it seems to me if the appropriation is increased it would be possible to eradicate these animals at once and get rid of them.

Mr. MAGEE of New York. If the gentleman will read the hearings he will find that the progress they are making has been very satisfactory. We do not reduce the appropriation.

Mr. WILLIAMSON. Is the allotment to the several States done by the bureau?

Mr. MAGEE. Yes; we have nothing to do with that at all.

Mr. Chairman, turning aside for a moment from agricultural problems, I desire to express briefly my personal views in reference to H. R. 4548, known as the Fitzgerald bill, which provides for the retirement of emergency Army officers of the World War disabled in the performance of duty 30 per cent or more. I have always favored such retirement, and at every opportunity urged that the Members of the House should be given a chance to vote thereon. Everybody knows of the absolute devotion of these officers to their Government and of their great personal sacrifices during the war. They made a most brilliant record upon the battle fields of France, exhibiting indomitable courage and absolute willingness to make the supreme sacrifice, if needs be, in the service of their country.

I have never heard any objection to this bill which impressed me as having any substantial basis. The time for expression of differences of view has passed and the time of action been too long delayed. When the matter comes up in the House let those who object to this act of justice rise in their seats and state their objections, in order that these gallant officers, their



dependents, and the country may know who the objectors are and their grounds of objection. That is a reasonable proposition.

I feel that if opportunity shall be given, the Members of the House will vote overwhelmingly in favor of this bill. Then all will know, what we know, that justice still reigns here and that our Government will never fail to recognize the heroism and sacrifices of its defenders. [Applause.]

The CHAIRMAN. The Chair will recognize the gentleman from Texas.

Mr. BUCHANAN. Mr. Chairman, I think the gentleman from New York intends now to yield to the gentleman from Iowa [Mr. DICKINSON].

Mr. MAGEE of New York. Mr. Chairman, I yield 30 minutes to the gentleman from Iowa [Mr. DICKINSON].

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON of Iowa. Yes.

Mr. HOWARD. In view of the fact that the House is now about to be addressed by a gentleman who understands the agricultural problem better than I do—and that is a good deal—and better than most of us, I really think we ought to have a quorum here to hear the discussion. The House is always so good to me that I do not like to make a point of no quorum, but I wish the chairman or somebody else would. [Laughter.]

Mr. JACOBSTEIN. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and two Members present, a quorum.

Mr. DICKINSON of Iowa. Mr. Chairman, I am going to address myself to the agricultural question as it now faces the country. I am glad now that after five years of time there are a great many of our friends who have gotten at least to the point where they are admitting that there is an agricultural problem. [Applause.] I recall that three or four years ago the man who proposed or even suggested that agriculture was going to be in need of assistance along legislative lines was immediately classified as some one who grew up on the prairies out in Nebraska or South Dakota or some place else with the jack rabbits and was not entitled to serious consideration as an economist or as a proponent of legislation. As time has gone on and as this problem has gradually knocked at the doors of the various interests of the country we find that man after man has gradually come in and joined our ranks, and now practically everyone admits, at least, that there is a grave agricultural problem and that it is the duty and the responsibility of this Government to take it up and handle it. [Applause.]

There was introduced in the Senate yesterday the McNary farm relief bill. That bill either has been or will be introduced in the House. The bill follows out the principles that we have been discussing here for four or five years affecting farm relief and the legislation necessary to carry farm relief into effect. It provides for the creation of a board, one man to be selected from each of the 12 Federal land-bank districts. It provides that certain commodities shall come under its supervision. I am one of those who is thoroughly convinced that if you can put machinery of this kind into operation and operate it as to one or two or three or four commodities it will be only a little while until the other commodities, where they have a surplus either seasonal or domestic, whatever it may be, will come in and ask for the benefit of the same machinery and that they be included within the scope of the legislation. We also recognize in this bill the cooperative producers' organization as an agency through which we are to operate. I say to the Members of the House that that agency is never going to be able to fulfill its functions to the satisfaction of the producer unless it has more than a Government loan fund under which it can operate. In other words, I say now that either a revival of the old Fess bill or the Tinchin bill is not going to be enough; and if the administration or the minority comes in here with such a suggestion, in my judgment the only purpose it will serve will be to sand-bag the program that the farm people of this country want; and if it is presented with that purpose, I want the people who are responsible for its being presented here properly indicted and branded accordingly, because I think that will be the purpose of such legislation. [Applause.]

I have listened to a great many people criticizing the farms and the farm people. I have talked in a great many different localities on this question, and I have heard a great many people say that there is only one trouble with the agricultural section out in Iowa, and that is that we are not good business people and that we do not have good judgment, and that if

we would run our banks on sound banking principles we would never have had any trouble. We have just as sound bankers out there as other States of the Union; but if you will take any locality, I care not where the locality is, and automatically between the 1st of July and the 1st of the following January take out from under the bankers from 40 to 60 per cent of the value of their securities they will be going through just the same experience that we have been going through in Iowa, and I come from the center of that great depression. In my home county and in the adjoining county we had 19 banks closed in one day. They have been reorganized by going out and saying to the depositors, "If you will give us a waiver of so much of your deposit, or if you do not do that if you will give us four years in which to pay, we will try to work this problem out." It is not poor banking, and it is the same banker handling exactly the same individual with the same securities that we have had out there for 30 and 40 years. Yet this crisis exists, and it is not only in one locality. It is all over the country. If you take the statistics of the farm-land bank system on foreclosures and real estate charged off, you will find that the per cent of foreclosures according to the total amount of their loans is greater in California, in Spokane, Wash., in Springfield, Mass., in Columbia, S. C., than it is in the Omaha district, in which this territory to which I refer is located. That being the case, the question of farm relief is not a question of the upper Mississippi Valley; it is a question of every part of the United States; and now you are having it down in the cotton States, and you are soon going to have it in other sections of the country. You will find that this is gradually just sinking down and down and down to where the economic status of the farmer is becoming more imperilled all of the while; and yet there are men that have been saying for the past five years that if the farmer will just go home and attend to his own business and work his family a little harder and produce a little more economically all his troubles would be over.

Gentlemen of the House, there are too many things on the outside of his front gate, over which he and his family have absolutely no control, that absolutely fixes the return on every acre of land he has in crops, and for that reason efficiency of production will never solve this problem. You must come to this conclusion now, or come to it in the future. There are other men who say that if you diversify you will be able to solve this problem. Well, they quit raising livestock in Texas and went to raising cotton. What did you solve? You have the cattlemen on the upgrade, and what about cotton? Up in the wheat section two or three years ago you said that if you quit raising wheat and raised corn to diversify, you would work out this problem, and over in Nebraska and South Dakota, southern Minnesota and Kansas you will find there was a tremendous increase in the acreage of corn. Now, what effect has it had upon the corn farmer? So you see you shift the depression from one State to another or from one locality to another. A man said to me, "I think I know how to solve the problem. If you will get a dairy herd of cows and put them in every section of this country you will solve the problem, because dairy products are high. Put 10 milch cows upon every farm in Iowa and it will put the dairy products coming from Wisconsin and New York absolutely off the market. Why, because we can produce dairy products out there a little cheaper than New York and other Eastern States." So you are not going to solve this problem by shifting from one commodity to another. All you do is to heal up the sore on your heel and put it on your nose or your elbow. As a matter of fact, the only way we are going to solve the farm problem is to stabilize the return for the producer, regardless of what commodity he produces. I believe this can be done. Such a system this Government ought to promote, and I believe the time is coming when we will have to admit it. I find that the President in his message has at least come to the conclusion that we ought to address ourselves to this problem. He said:

The important place which agriculture holds in the economic and social life of the Nation can not be overestimated. The National Government is justified in putting forth every effort to make the open country a desirable place to live. No condition meets this requirement which fails to supply a fair return on labor expended and capital invested.

In my opinion cooperative marketing associations will be important aids to the ultimate solution of the problem. It may well be, however, that additional measures will be needed to supplement their efforts. I believe all will agree that such measures should not conflict with the best interests of the cooperatives, but rather assist and strengthen them.

Out of the discussion of various proposals which can be had before the Committees on Agriculture some measure ought to be perfected which would be generally satisfactory.



I want to say now to the House leaders here that the bill I am here supporting absolutely complies with the requirement of the President, and I believe if we ever get this bill before the House we will have votes enough to pass it. And that is the reason I am here to-day. Now, there is another theory, and it is talked among Democrats more than among Republicans, that if you will completely do away with the tariff you will solve the situation. I am doubtful as to that. I do not believe you will, because you are going to destroy your domestic market that is a 90 per cent market at the present time, and therefore you will be making the remedy worse than the disease. But on top of that I am going to stand by the resolution adopted in St. Louis, where men from the cotton States and corn States and wheat States said that a tariff adjustment on certain named commodities might be beneficial, and named steel and aluminum, going back to what we used to call down in Iowa the old Iowa ideas on the tariff. I do not believe those of us from the Central West are going to stand for a high tariff and say there can be no reduction in the tariff on commodities where they make an excessive profit or assist in monopolizing the control of a commodity. The St. Louis meeting out there was a far-reaching meeting.

Note the tariff paragraph in the copy of the resolution attached hereto.

Barron's Weekly makes the following comment on the tariff:

Farmer critics of the tariff are clearly mistaken as to what the tariff is likely to mean to industry and agriculture, respectively, in the future. They assume that whatever superior advantage industry now draws from the tariff is destined to continue. All indications point to the contrary. Agriculture is moving away from and industry toward dependence on foreign markets. Farmers can look forward to a time when their production in most lines will be absorbed by the home market, whereas industry is rapidly acquiring experience as to the effect of export surpluses on domestic prices. There is every likelihood that agriculture will be better placed than industry to profit from the tariff in the near future.

The St. Louis conference was a meeting of minds from the South and the West in an effort to react and formulate a program for a common cause.

This meeting has a significance in the economic history of this country and as time goes on I believe we will appreciate more and more just what that meeting meant to us, and as time goes on I believe we will see that meeting was sowing the seed for uniting interests that have been divided on issues which have long ceased to be material but were very dear to the hearts of the different sections of the country. There is now a real effort to sit down and work out something helpful to both sections.

A little later I want to go into this legislation very fully. I do not believe that I should discuss it in detail now. Why? Because it is not to date reported from the Committee on Agriculture. I believe I have a very good idea of what ought to be reported from the committee. I believe we ought to avoid the pitfalls that we found in the last agricultural relief bill that we had on the floor of this House. I believe we ought to frame this bill so that it can not be attacked with reference to its economic soundness. I know that there are people who are still going to shy away from the equalization fee, which to me is a very essential part of the bill. I know that others are going to say that if you give the farmers a fair price it is going to increase production.

Right here in my remarks I am going to insert two paragraphs of a speech by Gov. Frank Lowden, delivered at the meeting at Chicago, with reference to the matter of overproduction. Added to that, I am going to put in a paragraph out of the findings of the industrial conference board that for two or three years, with its headquarters in New York, made a searching investigation with reference to agriculture. They both say—Governor Lowden and the report of this board—that there can be no immediate danger of overproduction in any of these commodities.

On overproduction Governor Lowden declared as follows:

It is urged, however, that if a program of stabilization such as I have suggested were carried out, there would be greatly increased production, with a surplus so large as to become altogether unmanageable. Is there any basis for this fear? The argument of those who think so runs something like this: "The farmer is now producing at a loss, and still he produces more than the world presently needs. Hence low prices. If he were now receiving profitable prices, he would produce vastly more, with further demoralization of prices."

There are, it seems to me, two vital defects in this line of reasoning. In the first place, the argument assumes that in agriculture, as in industry, unsatisfactory prices always result in reduced production. This is not so. In industry only a small percentage of the cost of

production is in overhead charges. By far the larger factor consists of wages and raw materials. When, therefore, the manufacturer finds himself accumulating a larger surplus than he thinks prudent, he can reduce his production as greatly as he may desire, with something like a corresponding reduction in the cost of operation of his plant. Not so the farmer. The overhead charges of the farmer do not materially change from year to year, whatever his acreage in crops. He furnishes for the most part his own labor. His taxes remain the same. His interest charges are the same. His equipment does not greatly vary. Therefore when prices are low he must increase his acreage of cash crops in order to meet his cash outlay, even though he knows he is not receiving cost of production for a single unit of his product. To illustrate, if the farmer's taxes and interest are the bare necessities of life for himself and his family require a cash outlay of \$2,000, and prices are low, he must push his acreage in cash crops to the limit, with the hope of securing the \$2,000 which stand between him and bankruptcy. Acting as an individual he can not do otherwise. The more desperate, therefore, the financial situation of the farmer is, the more he is inclined to maximum production until he reaches the very end of his resources.

In the next place, any abnormal increase in production would mean the employment of new capital in agriculture. As Sir Josiah Stamp points out, new capital will be tempted into agriculture only if the rewards there are larger than the rewards in other industries. It is not proposed by anyone, so far as I know, to so change the situation as to make the rewards in agriculture larger than they are in other fields. Indeed, if the farmers should receive no more than the mere cost of production they would be much better off than they are to-day. They certainly would be satisfied with a modest return upon their capital employed—a much smaller return than industry generally enjoys. Capital therefore would not be diverted from other activities to agriculture in that situation.

And then the argument proves too much. If it be true that the farmer will overproduce simply because he is getting for his product cost of production with some profit, it follows that the farmer must always sell his product at less than the cost of production. This can not be so unless we are to revise completely our economics.

On increasing the cost of living Governor Lowden said:

It is also objected to, the program I have been discussing, that it will increase the cost of living to the consumer. This may be so temporarily, though in a much less degree than is supposed. However, taking a long-time view, it should have just the opposite effect, as I think I shall be able to show.

The National Industrial Conference Board, in its admirable Report Upon the Agricultural Problem recently issued, finds that agriculture has been able to go on in recent years "largely through sacrifice of its capital assets and through sacrifice of the soil resources of the Nation."

It is clear that the great agricultural plant of America has been running down at a dangerous pace. Of course, this affects, and affects deeply, the farmer. However, it involves the very life of the Nation as well. The people who live in the cities naturally are inclined to interest themselves only in the immediate price they have to pay for food. They do not concern themselves as to whether or not the farmer receives enough to enable him to go on producing. And yet they are vitally interested. For if the farmer does not receive an adequate price he will finally cease to produce. No one, whether manufacturer or farmer, can go on indefinitely producing unless he receives at least the cost of production for the thing he sells. The result will be fewer farmers. This result is already in evidence. A report recently issued by the Department of Agriculture states that the farm population of the United States was reduced by almost a half million during the last year. This trend can not go on very long until there is a shortage of food, with abnormal and unnecessarily high prices to the consumers of food. And that is what the economists predict if nothing be done to avert the calamity; relatively low prices to the farmer for a number of years, and then, because of a shortage of supply, abnormally high prices. The city dweller, therefore, is vitally interested in having the farmer receive such price for his product as to enable him to go on producing.

Experience in other industries has shown that the producer and the consumer are both best served as prices tend to become stabilized. Progress in an industry is measured by its approach to stabilization of price. Wide fluctuations in the price of any commodity always result in a loss to the producer and consumer alike. As one able writer puts it:

"Fluctuations only benefit the speculative middleman. When prices soar, the producer rarely receives the full value of the increase, but the consumer invariably has to pay it. A severe fall in wholesale prices is very rarely fully reflected in the retail price to the consumer but is always completely felt by the producer. It would, therefore, seem that stable prices would benefit both the producer and the consumer."

The tendency in America for the last quarter of a century has been toward stabilized prices save in agriculture alone. In agricultural products, however, the swing of prices in recent years has been more violent than ever before. To illustrate, during the years 1923, 1924, and 1925 the price of hogs fluctuated about 100 per cent. The



fluctuation in the price of pork products to the consumer was about a third of this. During the same period the price of wheat fluctuated 100 per cent. The fluctuation in the price of bread to the consumer was less than 5 per cent. It is clear that the consumer derives no benefit from the low prices at which agricultural products at times have sold.

It is evident that in the interest of the consumer as well as of the producer we should find some means for stabilizing prices of farm products. The price of a commodity can be stabilized only at a point near the cost of production. For if the price continues below cost of production, a sufficient number of producers will fail, production will fall below the needed requirements, and prices will rise. And if an attempt be made to stabilize the price above the cost of production plus a reasonable profit, capital less profitably employed elsewhere will flow into the production of that particular article, the supply will exceed the needed requirements, and prices will fall. Therefore it follows that if we shall succeed in stabilizing farm prices it will have to be at a point covering cost of production with sufficient profit to induce the farmers to go on producing.

(Report of the National Industrial Conference Board on Agricultural Problems in the United States, page 80)

In general, therefore, as to the outlook in respect to production in the United States, there appears to be progressively less likelihood of overexpansion in the future than there has been in the past. Practically all the readily available land for crop production and pasture is now in use. Extensions of acreage are likely to be largely at the expense of pasture, and otherwise only at increasing cost. As has been seen, in comparison with other lines of activity, agriculture by and large is not so profitable under normal conditions that there is any great incentive to extend the margin of cultivation, extensively or intensively, much beyond requirements determined by demand. The average farmer and his family, under present conditions, are working so hard, and the overhead charges for interest and taxes are so high, that stabilization, or even moderate increases, in price would hardly be likely to stimulate any considerable general overexpansion of acreage or production.

The Chicago Tribune, a paper that heretofore has been against us for a good many years, said "that this is the farmers' remedy."

We believe that we ought to find a solution, and as nobody has any other solution to offer, we believe that the farmers ought to be permitted to try their own. The Chicago Tribune declared in a recent issue, as follows:

The Farm Bureau Federation, which speaks for farmers throughout the country, but particularly for the farmers of the Middle West, is continuing the fight for agricultural relief along the old lines. The McNary-Haugen bill has been defeated in successive Congresses, but the farmers are not abandoning its ideas. They may modify the bill in detail, but they will not modify it in principle. They are not impressed by the President's opposition to price fixing. They have the support of Sir Josiah Stamp, the distinguished British economist, in saying that by whatever name the thing is called, the principles which they advocate are not economically unsound and can be made to work.

The farmers are underpaid. Everyone agrees upon that. They have proposed a solution of their problem which they are confident will work, but which eastern financiers are opposing. The farmers say their own contributions will pay the cost of administering their plan and that the increase in domestic prices which will result is only fair in view of the protection given by the tariff to industry and the industrial worker but not the farmer. The farmers are confident that their proposal will place no new burden upon the Treasury.

We believe the farmers are justified in asking for a raise. As we see it, the most serious criticism of their plan by its opponents is that it will not accomplish the purpose for which it is intended. No one can say with certainty whether it will or will not, and the experts, as usual, are divided. We believe the farmers should be given the opportunity to test their proposal. If it doesn't work, they will be the chief sufferers.

I believe that either the administration or the political leadership of either party that now faces this crisis that we see all over the country who will not come in and vote for the passage of one relief program, and yet offers no substitute therefor, ought not to be continued in political power, for the reason that they are not meeting the questions of the day and the demands of the interests of our country, and that is the fundamental principle upon which our democracy is founded. Whenever a government or a party finds that they can not find a solution for the problems that face our people, then that party or that leadership sooner or later has got to be discredited and new leadership has got to be assumed. [Applause.]

Next, I know that all over this country there is this feeling, that if you say you do not believe another man has the right theory, you ought to be able to offer a substitute for his theory, and just recently we found all over the United States an organization known as the United States Chamber of Com-

merce that again wants to start in on a searching study of the fundamental principles that have to do with the economic welfare of the farmer. What is the purpose of that? Why, we remember that only a few years ago this same organization with the same president, Mr. O'Leary, said this program was a visionary idea of some politicians who wanted prestige, and said that the men advocating it have an ambition somewhere, and these people tried to discredit them by saying they were not sincere and are simply endeavoring to increase their own political prestige.

That was the idea that was put out a little while ago, when the United States Chamber of Commerce and the Industrial Conference Board made ready to proceed with another economic study of agriculture. I and others resented it. Why? Because it is simply the case of another filibuster to try to accomplish a delay. As to the Industrial Conference Board, I believe that it did wrong when it joined the National Chamber of Commerce to start in with another economic study to try to tell the farmer how to produce.

I here want to express my appreciation for the splendid work done by the National Industrial Conference Board.

The farmers fully appreciate the research work done by this board and their findings with reference to agriculture, and, on the other hand, they resent the active opposition of the National Chamber of Commerce to the farm-relief program, because said organization is now confessing that it made its decision to oppose farm relief for agriculture without having practical knowledge of the condition of agriculture. Many business organizations have been for five years diagnosing the complaint of the farmer, and unless they make more progress than they have heretofore the patient will be dead before the disease is known or the remedy prescribed.

When Mr. O'Leary, president of the United States Chamber of Commerce, says we have to start back where we began five years ago and make this study entirely over again, he is absolutely wrong. I believe that this problem ought to be solved at this short session of Congress. [Applause.] You may think that you can dillydally with it and send it back again, and men may be returned again, but I want to say to you that this is digging deeper and deeper every year, not only in the West but in the far West and in the East and the Southeast and the Northeast, and as it goes on the situation will become more acute, and then we will wake up to find somebody has lost confidence in us because we have not been meeting this question.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield there?

Mr. DICKINSON of Iowa. Yes.

Mr. GARRETT of Tennessee. I understood the gentleman to say that he would insert an extract from the speech of Governor Lowden on overproduction?

Mr. DICKINSON of Iowa. Yes; on overproduction.

Mr. GARRETT of Tennessee. And Governor Lowden took the position that there is no danger of overproduction?

Mr. DICKINSON of Iowa. Yes.

Mr. GARRETT of Tennessee. Do I understand that the gentleman agrees with Governor Lowden?

Mr. DICKINSON of Iowa. Yes, sir.

Mr. GARRETT of Tennessee. How does the gentleman reconcile that with the fact that this problem presents different features in different years and different localities?

Mr. DICKINSON of Iowa. We had an overproduction of wheat one year, and the next year it was an overproduction of cattle, and the next year it was an overproduction of hogs, and the next year an overproduction of corn. The overproduction seems never to continue in the same commodities for a series of years together. If you will examine the statistics you will find that throughout a cycle of years we have never had what would be known as a general overproduction, but only an overproduction of certain commodities. To-day there is an overproduction of apples, for example, and it would be a good idea if we could have some way to carry over our surplus of apples to another time.

Next, you have fixed in this bill a basis for the control of production, the same as they have it in big business to-day. How does big business limit its production? It does it by limiting the control of its marketing machinery and thereby controlling the production of the commodity. If you had machinery here controlled by a board wherein, if you please, you were going to be able to advise this country as to the situation with reference to the production of any commodity, you could have a very strong influence on the man who was thinking about plowing up his pasture and putting it into corn or plowing up his cotton and putting it into tobacco. In other words, it is simply a matter of instruction and it can come from this board. Then there is another thing, and that is, you can not change from one production to another in a single year.

Iowa can not increase its corn crop by any material acreage and North Dakota can not increase its wheat acreage very materially in any one year. It is a matter of the accumulation of seed; it is an accumulation of livestock; it is an accumulation of labor, and all of these different things. If you will take the three-year cycle you will find that the danger of overproduction is practically a minimum in all of these various commodities. Therefore overproduction is largely a bugaboo that is held up by the fellows who say that they will go in and break down that machinery, and for that reason I believe that these men who have worked out a careful analysis of it are right when they say that the danger of overproduction is nil.

Mr. GARRETT of Tennessee. I hope the gentleman understands I am not making these inquiries in a spirit of controversy?

Mr. DICKINSON of Iowa. Not at all.

Mr. GARRETT of Tennessee. I understand the gentleman has made a very careful and serious study of this problem. I would like to ask the gentleman this, if he will permit: Is there any commodity, other than cotton, mentioned in the McNary bill that really can be carried over for a period of more than two years?

Mr. DICKINSON of Iowa. Oh, finished pork products can be carried over for a long while; wheat can be carried for five years in bins with proper storage.

Mr. GARRETT of Tennessee. It can be carried over satisfactorily?

Mr. DICKINSON of Iowa. Yes. Corn can be carried for three years and is carried for three years. I do not know about rice, because I am not a rice man; but I understand rice can be carried in storage, and those are the principal commodities that are mentioned in this bill.

Mr. GARRETT of Tennessee. I am wondering whether wheat, for instance, can be economically carried, however, for a period of three or five years?

Mr. DICKINSON of Iowa. It can be carried for five years.

Mr. GARRETT of Tennessee. And maintain its integrity?

Mr. DICKINSON of Iowa. Not only that, but you can carry it for 15 years and it will grow and can be used for seed.

Mr. GARRETT of Tennessee. There are, perhaps rare instances where that has been done, but I am speaking about carrying a great quantity.

Mr. DICKINSON of Iowa. The only question would be the cost of your storage, whether or not the cost of the storage would eat up the benefit.

Mr. BANKHEAD. Will the gentleman yield for a question?

Mr. DICKINSON of Iowa. Yes.

Mr. BANKHEAD. The gentleman expressed his agreement with the resolutions adopted by the recent farm conference at St. Louis?

Mr. DICKINSON of Iowa. Yes.

Mr. BANKHEAD. Would it be possible for the gentleman to insert in his remarks a copy of the resolutions?

Mr. DICKINSON of Iowa. I will be glad to do that.

Mr. HOWARD. Will the gentleman yield?

Mr. DICKINSON of Iowa. I yield.

Mr. HOWARD. I do not desire to inject anything of a political nature into the gentleman's discussion, but in view of the fact that he has repeatedly mentioned the name of a very prominent person in our country and is going to quote from him, I desire to call his attention to a statement recently made by one standing very near to that element of which the gentleman has also spoken, the United States Chamber of Commerce, that statement being, in effect, that the words of that person, whom the gentleman from Iowa is to quote, were not worthy of consideration because he was too old to understand the problem of agriculture, much less to be a candidate for President of the United States. What personal opinion has the gentleman from Iowa on that subject? [Laughter.]

Mr. DICKINSON of Iowa. I want to say to my good friend from Nebraska—and he is one of the best friends of agriculture that I know of. [Applause.]

Mr. HOWARD. I thank the gentleman.

Mr. DICKINSON of Iowa. That, in my judgment, age, with good health, is not nearly so serious a handicap in a candidacy for President as trying to exceed the standard eight years' limit that has been so unanimously fixed by precedent in previous years on presidential candidacies. [Applause.]

Mr. GARRETT of Tennessee. Since the gentleman's name has been brought in from whom the gentleman intends to quote—

Mr. DICKINSON of Iowa. If I have the opportunity.

Mr. GARRETT of Tennessee. In the account of the St. Louis meeting which I read, or one account of it which I read,

Governor Lowden was quoted as having congratulated the meeting upon the fact that it did not indorse any bill or any plan. I do not know whether the word "bill" or the word "plan" was used, but one or the other, I am quite sure, was used. Is that a fact, that Governor Lowden did not indorse any bill and that he congratulated the meeting upon not doing so?

Mr. DICKINSON of Iowa. I have not the data on that and I can not advise you as to that, but I will say to the gentleman from Tennessee that, in my judgment, you will find that Gov. Frank O. Lowden will be on record indorsing the plan embodied in the McNary bill in all its details. [Applause.]

#### FARM RELIEF LEGISLATION

With the introduction of the new farm bill it is conceded by all that the same will embody at least four principles:

First. The creation of a board to be nominated by the farm organizations and the appointment to be made by the President and confirmed by the Senate.

Second. That such board shall have the right to declare an operating period on several major raw products, including wheat, corn, rice, and swine.

Third. That said board shall also have the right to designate an agency to handle such commodity under supervision of the board. That price for the product shall be determined by the agency and not by the board.

Fourth. That the board shall have the right, if requested by a majority of the producers of such commodity, to levy an equalization charge against the unit of such commodity as it enters transportation or as it enters the processing plant.

The purpose of this legislation is twofold. First, to give the producers an opportunity and the legislative machinery necessary to channelize the marketing of the commodities into a definite control agency.

Second. Such agency to make the tariff effective on surplus commodities by controlling such surplus in export.

This is not price fixing unless the protective tariff is price fixing. It is not the Government in business unless the Government is in the banking business under the Federal board or in the manufacturing business under the protective-tariff schedules.

The necessity for this legislation is becoming more apparent with each crop season. One year it is depression in wheat, the next in cattle, the next in hogs, the next in corn, and this year in oats and cotton.

Along with the major commodities we might suggest that a similar situation exists with reference to potatoes, apples, and many other commodities. The farmer has no bargaining power under existing conditions. The whole marketing machinery having been organized to take over his commodity at his local station and pay him whatever they wish therefor and then profiteer on the commodity from that point on. The agricultural decline has not been improved in the last three years. In fact there is every indication that the same is growing worse all the time. This being the case, those who ask delay in legislative assistance are contributing to the ruination of our major industry. Farm investments are being depleted, farming localities are disorganized, profits on the farm are at the lowest ebb, and there is no sign in the present economic condition that indicates an improvement in the morrow. Our Government has helped out other interests, why not extend a helping hand to this interest under present conditions?

The essential differences between this bill and the Haugen bill under consideration by the House during the last session are as follows:

First. A change in the method of making nominations by the farm organizations for membership on the board and also an arrangement whereby a representative council can be called for discussion of the marketing problems of any particular commodity rather than the organization of one body to discuss the market problems of all commodities.

Second. Under the provisions of the Haugen bill the agency named by the board was required to maintain a standard of the world price plus the tariff on all commodities, which fixed a definite yardstick under which the agency was compelled to operate. Under the new bill the agency will fix the price according to the economic conditions surrounding the commodity, taking into account the production, the consumption, the world production, the world consumption, and general economic condition everywhere.

Third. Under the provisions of the new bill the equalization fee will not be delayed on any commodity, but will not be invoked until the board is convinced that the majority of the producers of such commodity are desirous of having the same put into operation. The former bill provided for a revolving fund and also for a subsidy covering which there was no pro-



vision for repayment. The new bill provides only for a revolving fund, to be loaned under regulations and paid back upon maturity of the loan.

Fourth. The embargo provision as provided in the Haugen bill is entirely eliminated.

Fifth. In order to control the centralized market and give the agency additional authority, the equalization fee may be imposed when the unit of the commodity enters into state commerce or when the said commodity is processed, such as at the gin for cotton or at the mill for wheat.

Many believe that if agriculture was brushed aside and permitted to drift along for a given number of years that it would revive without legislative assistance or direction. This has only emphasized the crisis through which agriculture is passing, and as the condition in agriculture becomes worse its effect on industry and commerce will become more noticeable and far-reaching. It is admitted by practically all that our country can not be prosperous without prosperous agriculture. Further delay means further economic depression in all lines. The best minds of the day are admitting that prosperity can not continue with agricultural interests on the wane. There is no time like the present to pass this legislation. We have the time at this short session. The suggestion of further study for agriculture is being made by those who have heretofore been opposed to any effort to give legislative relief to the farmer. The studies heretofore made by the committees in Congress and the very thorough research by the industrial conference board of New York prove our case. In my judgment, the party leadership that either admits the lack of a program or shows a disposition to further delay an effort to pass this legislation with no substitute to offer, should be repudiated and dethroned. It is my purpose to leave no stone unturned to bring this question to a final decision at the present session of Congress.

The following letters reflect the farm depression in other States:

A great many people have referred to Iowa as the hotbed of radicalism. Now, let me suggest that it is not only in Iowa that the farmers of this country are depressed. If there is any criterion as to the depression of farm interests in this country, it ought to be found in the reports of the Federal land bank organizations, with its 12 districts in the United States. When they foreclose a mortgage and take over a debtor's real estate, under the law they are compelled to charge off the entire item within five years after it is acquired by foreclosure, or charge off 10 per cent a year. On September 30, 1926, this Government organization made its usual report. The percentage of land values charged off in relation to the total amount of loans ought to be a fair criterion as to the economic status of agriculture in those particular districts. I find that the highest percentage is for Spokane, Wash. The next highest is Berkeley, Calif.; next is Columbia, S. C.; next is Wichita, Kans.; and then comes Springfield, Mass. The percentage in the Springfield, Mass., district, which includes the State of New York, is double the amount in the Omaha district, which includes the State of Iowa, where most of the howling is coming from, according to the popular belief of the press.

The following personal letter from Ohio reflects the feeling and condition in that State:

"Senator Fess has gone so far as to say there is no farm problem in Ohio and to indicate that the farmers here are prosperous. Nothing could be farther from the truth, as you well know without my telling you. I wish to inform you that the grain farmers of Ohio are all in the same boat with the farmers of Iowa."

The condition in north central New York is reflected by the following quotation from a letter recently received:

"We are living in a once prosperous and progressive farming section, and now not more than one-fourth of the farms are actually being farmed. About one-half are abandoned; of the remainder, some are still inhabited, but the people depending upon outside employment for a livelihood, while others are just living upon the land, which will soon be added to the abandoned farms. Very few young men remain on the farms, and a few more years will see most of the men now operating farms in this vicinity in their graves or past working days."

In other words, every claim of the people of Iowa with reference to discrimination against agriculture is also true of agriculture in New England, the Southern States, the Western States, the Pacific States, and the Mississippi Valley. The only difference is that in Iowa agriculture is probably 90 per cent of our economic turnover, while in New England it probably is not 3 per cent of the turnover, and therefore receives little attention.

#### Loss of farm population, by States named, 1920-1925, United States Census

1. Utah	22.4
2. Arizona	20.5
3. Montana	19.0
4. Massachusetts	18.2
5. South Carolina	15.1
6. Idaho	14.3

#### Loss of farm population, by States named, 1920-1925, United States Census—Continued

7. Delaware	12.8
8. Alabama	12.7
9. Indiana	12.0
10. Maryland	10.7
11. Vermont	8.0

#### FARM REPRESENTATIVES AT ST. LOUIS ISSUE DECLARATION OF PRINCIPLES

The following declaration of principles was adopted by the representatives of farm organizations of the South and West at the St. Louis meeting on November 16 and 17.

#### COOPERATION BETWEEN MIDWEST, SOUTH, AND WEST

The States of the Middle West, West, and South are predominantly agricultural, and they have common economic interests which justify and should bring about unity of thought and action. We are gratified over the progress that was made during the last winter in bringing together the cotton growers of the South, the wheat growers of the West, and the corn and meat producers of the North-Central States in support of a joint legislative program in Congress. We express the earnest hope that this conference will cement the relationships already established and promote continued unity of thought and action in behalf of a national program for American agriculture. We extend cordial greetings to the farmers of the East and express confidence in their hearty cooperation in carrying out the purposes herein suggested.

#### CITIES DEPEND UPON AGRICULTURE

Great cities have developed throughout the agricultural regions of the United States for no other reason than to serve a great agricultural population, whose combined life and prosperity are essential, if these cities are to live. A semblance of urban prosperity may result from the period of farm depression, accompanied by high city wages, which drains wealth from the country to the city; but its continuance is only temporary, and eventually these cities will rise or fall with the country upon which they depend. We appeal for recognition of this harmony of interests in a conscious program which will unite city and country back of projects to secure the common economic interests of the agricultural sections of the country.

#### EXODUS FROM FARMS THREATENS LABOR

In this connection we desire to warn the leaders of American labor that the ever-increasing drift of hundreds of thousands of farm workers to the cities may sooner or later produce a demoralizing oversupply of labor, and, therefore, if our workmen would make secure their present generous standard of living they should do everything in their power to bring about a return of a condition of wholesome contentment on the farm. Not only does the collapse of agriculture menace the security of labor but it should be apparent to all thinking men that we can not hope to maintain our industries in full-time operation unless the purchasing power of the 35,000,000 people who live upon the farms is restored at an early date.

#### SUPPORT OF OTHER INTERESTS ASKED

We solicit the support of organized commerce, finance, industry, and labor in securing a fair national policy for agriculture; however, we look with disfavor upon any movement of business organizations to initiate an agricultural program independently of farmers' organizations.

#### CONTROL OF SURPLUS

As a practical and immediate move to secure for agriculture a just and proper share of the national income and a position of equality with other industries in our national economy, we favor legislation that will enable farmers to control and manage excess supplies of crops at their own expense, so as to secure cost of production with a reasonable profit. We assert our conviction that such legislation must function through and foster cooperative marketing.

#### VARIABLE YIELDS AND PRICES

While acreage cost of production of farm products is fairly constant from year to year, the prices received by farmers frequently vary as much as 50 per cent from one year to the next. No business can be stable and prosperous in which basic costs are fixed and prices vary as prices of agricultural products vary. The same acreage may produce widely different yields in different years; hence certainty of yield can not be attained, even by control of acreage. Weather, plant diseases, and insect pests will continue to influence volume of production in spite of all that man can do.

Any production program that would avert surplus production in normal years would bring scarcity to the point of famine in bad-crop years. The alternation of extremely low and unduly high prices resulting from unavoidable variations in yields is harmful alike to producers and consumers. It upsets orderly production programs of farmers, interferes with normal consumption, increases risks and costs of marketing, and subjects producers and consumers to the hazards of speculation. Wise management of surpluses will tend to stabilize prices for producers and insure adequate and dependable supplies for consumers.

#### APPROVE GOVERNOR LOWDEN'S PROPOSALS

We believe that the principles and methods advocated by Governor Lowden in his address to this conference for the stabilization of basic

products of agriculture if enacted into law would go far toward the solution of the problem of agricultural surpluses; they strike at the problem that is present in the chief farm products of the Midwest, South, and West; they would provide means for the producers to adjust supply to demand in their markets at fair and stable prices; they would broaden the basis of our national prosperity by restoring the purchasing power of agriculture; and we urge that their enactment should be the united aim of men from all sections who are conscious of the gravity of the agricultural situation and seek a way in which to meet it.

#### WELCOME CONSTRUCTIVE AID

We welcome the constructive aid of all thoughtful men in perfecting these principles and making them effective through legislation, but we deprecate the spirit of criticism and fault finding which is barren of workable proposals.

#### THE COTTON CRISIS

We deplore the disastrous decline in the price of cotton to a point far below the cost of production. We attribute this disaster not to reckless overproduction, but to lack of adequate means of handling the temporarily unneeded part of the crop in ways that would make it a blessing to the world and not a curse to cotton farmers. The world needs and will use profitably every bale of cotton produced this year, the excess above immediate needs being only a reasonable insurance against a short crop in future years. We place responsibility for present conditions upon those who defeated the bill in the last session of Congress which would have provided a Federal farm board with ample powers and funds to anticipate and provide for the removal of the excess supply from the market and carry it until there is need for it at profitable prices.

#### PERMANENT PROGRAM FOR COTTON

We believe that the present collapse of the cotton market emphasizes a need for the further development of cooperative marketing by cotton farmers and for legislation which will strengthen their ability to carry on orderly marketing and make possible the carrying over of the surplus from years of large production to years of small production and assessing the cost ratably against all the products.

The plan of the President's cotton commission can not equitably distribute the cost and hazard of removing 4,000,000 bales of cotton to all the growers of cotton, but imposes the entire cost on a limited number of growers who may participate in the holding movement.

Under no circumstances can the plan amount to more than a temporary expedient to meet the crisis occasioned by the present large crop. It will not work out a sound and permanent national policy respecting cotton, resulting in price stabilization to both the producer, the manufacturer, and the consumer of cotton which sound public policy and the public welfare imperatively demands.

#### POLITICAL PLATFORMS

We direct attention to the fact that the two major political parties, through their platforms and candidates of 1924, specifically pledged themselves to take every step necessary to secure for agriculture economic equality with other groups in our national life. The leadership of both parties during the first session of the Sixty-ninth Congress repudiated these platform pledges and pursued a legislative course that proved they did not regard them seriously. If our political parties are not trustworthy agents of government through which to record the public mind on legislative policies, then the people will find other means inside and outside such parties to accomplish necessary reforms.

#### CONGRESSIONAL BLOCS

The Congress of the United States has been influenced and controlled since the formation of our Government through bipartisan combinations within Congress, whose Members have held loyalty to an economic interest above party ties. This Nation has accepted and grown accustomed to financial blocs, commercial blocs, industrial blocs, and other groups formed to control legislative action. Therefore we resent the implication that agriculture introduced a new element in legislation when Senators and Representatives from farm districts in both parties began to work together to protect the interests of their States. Furthermore, we believe that such organization among Senators and Representatives from agricultural States and districts has never been as effective or as thoroughgoing as the situation demanded. The farmers of the United States have a right to expect them now to organize themselves into an aggressive and effective unit, regardless of party, to express and work for the economic interests of agriculture in the coming session of Congress.

#### FARM AND FOREIGN DEBTS

Since the close of the World War many of the leading statesmen of Europe have insisted in all seriousness that unless the United States consents to the cancellation of the debts of our erstwhile allies the economic security of Europe will be seriously menaced, if not rendered impossible. If they are correct in this view that the required repayment of honorable debts of some \$11,000,000,000 in a half century or more of time will seriously menace the future economic security of

Europe, then what of the future economic security of the American farmer, who is at this hour staggering under a farm debt of more than \$12,000,000,000?

#### INTEREST OF CONSUMERS

We believe that stability in the agricultural price levels and adequate farm production, such as in the long run will only be assured by fair prices, are important in the interest of consumers as well as producers. Development of nation-wide cooperative marketing associations will follow the adoption of an effective plan to stabilize agriculture, provided such a plan does not impose upon members alone of such cooperative association the entire expense of managing crop surpluses. These agencies will lower marketing costs between the farmer and consumer. The consumer will receive much of the saving in all cases and most of it in some.

#### THE TARIFF

We favor the removal or modification of unfair and excessive tariff duties that now afford shelter for price-fixing monopolies. It is idle to refer to manufactured articles on the free list as benefiting the farmer when materials entering into their manufacture are highly and excessively protected. Therefore we urge immediate reduction on such basic materials as aluminum, steel, and chemicals.

We recommend to farmers' organizations that they make a special study of the effects on agriculture of industrial tariffs and also of the effects of our change from debtor to creditor Nation, and especially of its effects on the accumulation of our agricultural surpluses.

Our "tariff primers" have taught us that the farmer would get his reward through the demand created by the high purchasing power of prosperous industrial classes. We demand that the farmer be given the opportunity to promote the national prosperity by his own increased purchasing power through increased prices.

#### APPRECIATION OF SUPPORT

We commend those farm-minded Members of Congress, regardless of party, who worked and voted for effective agricultural legislation, and pledge them our active support. The welfare of agriculture is more important than the welfare of individuals or of any political party.

#### FARM LEADERSHIP

We appeal to the farmers of the United States to ascertain the attitude and performance of their farm-organization leaders in respect to this national farm policy and to hold such leaders strictly accountable to their responsibility of interpreting fairly the interest and opinions of their members.

#### MEETING OF CONGRESSIONAL COMMITTEES

In order that such farm legislation as is to be considered in the short session of the Sixty-ninth Congress may be in the hands of Congress and the public at the opening of the session, we respectfully recommend that the Agricultural Committees of the Senate and House meet at once for its study and preparation.

#### CONGRESSIONAL INVESTIGATION

We distrust those interrelations which appear to give to industrial advisors, who are not without self-interest as dealers or speculators in farm products, the deciding voice not only in influencing the enactment of agricultural legislation but in determining the manner of administration of such laws after enactment.

We believe that a public understanding of such relations would be valuable, and that a thorough investigation would be unfair to no interest or individual; therefore we commend the purpose of Senate Resolution 269, by Senator WHEELER, and urge that it be broadened to include an investigation of the various forces which have been moving toward the subordination of agriculture. We suggest the following as additional lines for such investigation:

(a) The activities of the Department of Commerce to dominate and encroach upon the functions of the Department of Agriculture, including interferences in the personnel of such department.

(b) The source of the opposition toward effective agricultural legislation described by Senator GEORGE W. NORRIS, chairman of the Committee on Agriculture, in his speech to the Senate, June 14, 1926.

(c) The speculative manipulation of the grain markets, and the circumstances surrounding the restoration of gambling in "puts and calls" by the Chicago Board of Trade.

#### CONFIDENCE IN FARM RELIEF LEADERS

We express our appreciation of the men who initiated and have for three years carried forward the movement for farm relief legislation and have labored so zealously and effectively to arouse Congress and the country to a realization of the true condition of American agriculture and of the imperative need for remedial legislation.

#### NO SECTIONALISM NOR PARTISANSHIP

In conclusion, we express our gratification over the spirit of unity and harmony which has been dominant in this conference. It is not only gratifying but highly significant that representative farmers and farm organization leaders from the great agricultural regions of the



Midwest, West, and South have come to know through the discussions and associations of this conference that agriculture in all these sections is faced by the same problems, and that the only hope for relief lies in united efforts. It is worthy of formal recognition and record in this statement that no differences of opinion or interest respecting agricultural conditions, problems, or remedies have appeared among the farmers or farm organizations participating in this conference. This should be heartening to farmers everywhere and inspire renewed hope that the days of division and weakness are to be succeeded by unity and strength, which will regain for agriculture its just share in our national prosperity and its rightful place of equality with other great industries in our national economy.

The proceedings of this conference furnish eloquent proof that the farmers of the United States recognize no sectional lines, no political differences, no commodity rivalry in planning for future cooperation.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. BUCHANAN. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. CONNALLY].

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen of the committee, I reserved this time on yesterday to discuss a bill which I have introduced relating to the agricultural situation. It provides for research and investigation by the Department of Commerce looking to the discovery of new uses for one of our staple agricultural products, and that is cotton. I introduced a bill to direct the Department of Commerce to conduct a scientific and technical research with a view to discovering new and additional uses for cotton. Its object is to increase the consumption of and consequent demand for cotton by finding new uses in the textiles, such as artificial silk, and in various other industries.

I am impelled, however, at this time to notice the remarks of the gentleman from Iowa [Mr. DICKINSON], because, as I view the agricultural problem, we have either got to produce less or else find new uses and new demands for agricultural products if we are to receive satisfactory prices. Without one or the other the problem will not be solved by any temporary or artificial arrangement or machinery. If we are going on from year to year producing the maximum yields of wheat and of cotton and of corn, more than the world will consume at profitable prices, I do not see how we are going to raise artificially that price when we have got to depend upon the world market alone for the marketing of our surplus.

If we could control the world market as we control the domestic market by an economic wall built around the United States, and if we could regulate the foreign market and regulate our production to conform to the world's demand, there would be no reason on earth why the cotton farmer and the corn farmer and the wheat farmer and every other farmer might not obtain a profitable price for his product; but when the gentleman from Iowa says that there is no overproduction of any agricultural product, he refutes his own position, because the whole structure of this artificial arrangement which he advocates is based upon the fact that we are producing more agricultural products than the world will buy, and because of that fact the world will not pay us a profitable price for that product, and therefore he proposes to set up an artificial arrangement which will in some way, out in the land of hope and in the land of expectation, bring us profits which the product itself intrinsically will not bring upon the world market.

The gentleman from Iowa has always been one of those who advocated that we had to maintain here in America a standard of profit in the manufacturing industries that would permit the American manufacturer to reap rich rewards on the pretense that the American laborer employed in the manufacturing industries is entitled to a scale of living better than that enjoyed by similar persons in other countries. He is perfectly content, or has always been, to artificially create that sort of a condition by saying that foreign manufacturers could not ship their goods into America unless they paid an exorbitant tariff tax. Of course, the profits go to the manufacturer and not to the laboring man.

Where is the gentleman from Iowa? I should like for a page to go out and page the gentleman from Iowa and bring him back in here. [Laughter and applause.] Here we have a great agricultural question before the House, a great bill affecting agriculture, and the gentleman from Iowa fires his volley and then retreats to the cloakroom to receive the congratulations of the newspaper correspondents [laughter] instead of remaining here and listening to others discuss this proposition.

I am not taking issue with the gentleman on the necessity of some kind of action for the relief of agriculture; but what does the gentleman do about it? I am very much flattered to

now have the attention and the presence of the gentleman from Iowa.

Mr. DICKINSON of Iowa. I knew the gentleman would be. Mr. CONNALLY of Texas. If the gentleman had known it so strongly, he ought to have stayed in the Chamber instead of absenting himself as soon as some one else took the floor.

The gentleman from Iowa believes in that sort of artificial stimulation of industry in the United States; but at the same time, when he took that sort of action and while he wanted the manufacturer to have an artificial profit, on the plea that the laborer in the factories would receive an artificial profit, he condemns every farmer in his district that raises wheat to compete with the peasant yonder on the steppes of Russia that produces wheat and markets it in the markets of the world, because every bushel of American wheat that goes abroad must meet in the markets of the world the products of Russia and the products from the plains of Rumania and the products of every foreign country on this earth that produces wheat.

When he took that action and voted for the Fordney-McCumber tariff, my friends, and set up that artificial stimulation for the manufacturing interests of America, he condemned every farmer in the land from which I come that raises cotton, he condemned him to compete with every peasant that walks along the banks of the Nile, and he condemned every farmer in the South that gives of his toil and of his industry and of his labor and of his land to the production of a fabric that the world must wear, he condemned him to compete with every East Indian who raises cotton in the jungles of India.

My friends, no system like that which compels one branch of our country to compete in the world markets with its industry and with its toll and artificially sets up a preference, a bounty, a gift, to one particular industry and obtains that gift from taxing the other portions of our citizenship, whether they will or whether they will not, no system like that can ever result except in producing the very condition of which the gentleman from Iowa now complains. Why, the whole theory of the gentleman's bill is that the Government has artificially created benefits for industry and that the Government has artificially created special privileges for the railroads, and having created these reserved seats, as it were, at the prosperity table, then the law has got to come along and create a similar benefit for the agricultural interests and put them up on a reserved seat.

If the gentleman could do that by law and could equalize all of the industries of our country and put them on the same plane, he would be just where he was before he started that system of preferences and particular benefits to one particular industry. The trouble with the gentleman's proposition is he can not do it by law. He can do it only by undoing what he has already done. He might do it as to the domestic consumption of the article, but whatever gain he created here at home he would lose that gain when he sold the surplus, as he calls it, in the foreign market where it would have to compete with the rest of the world.

Mr. BLACK of Texas. Will the gentleman yield for just one interruption?

Mr. CONNALLY of Texas. I yield.

Mr. BLACK of Texas. And also the plan of the gentleman from Iowa is to continue this special privilege to the manufacturers without their paying anything for it, but if the farmer is to be let in on the same equality, he must pay an equalization fee in order to get it.

Mr. CONNALLY of Texas. I thank my colleague from Texas for making the suggestion. The theory of the gentleman from Iowa is that while the manufacturer will continue to get his bounty by reason of the law, he will now set up a scheme whereby the farmer must carry on and finance his own operation—every farmer whether he belongs to some particular organization or not will have to pay a compulsory tax in order to create a fund to transact the business which this special scheme sets up.

Mr. DICKINSON of Iowa. Will the gentleman yield?

Mr. CONNALLY of Texas. Certainly.

Mr. DICKINSON of Iowa. I understand the gentleman says that our farmers are now in competition with the peasants of Europe in the production of cotton.

Mr. CONNALLY of Texas. Absolutely.

Mr. DICKINSON of Iowa. If we tear down the tariff walls as the gentleman claims we should, we bring down the laboring men to the standard of the wages of the laborer in Europe and all along the line.

Mr. CONNALLY of Texas. Oh, I knew that, although the gentleman when he began his remarks showed some evidence of having seen some little bit of light when he said that he wanted to lower the tariff on aluminum, he was willing to lower the tariff a little bit on steel, I thought he had begun

to see the light and say that he would no longer be a party to the tariff scheme that impoverishes agriculture and enriches industry; but the same old virus is at work under the surface. He is still tied to the tariff. By his question he indicates now that whatever his words might have been in the speech he made 30 minutes ago when the time comes to tear down the top rail—and gentlemen, we shall be satisfied to tear off some of the rails at a time. We shall not insist on tearing off all the rails at once, because we know you will not let us. [Laughter.]

But in tearing off even the top rail of the tariff and lowering it a little bit we know the gentleman from Iowa [Mr. Dickinson], when the roll is called, will vote "no" quietly and then slip out into the cloakroom again, and he will be found standing just where he stood when the Fordney-McCumber tariff bill was enacted into law. When the manufacturers call the roll the gentleman from Iowa [Mr. Dickinson] will be found voting the way they want him to vote.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. CONNALLY of Texas. I yield.

Mr. WILLIAMSON. How does the gentleman from Texas account for the fact that in 1920 and 1921 under the Underwood tariff law farm products were at the lowest point from the standpoint of purchasing power they have ever been in the history of our country?

Mr. CONNALLY of Texas. The gentleman from Texas does not account for the fact, because it is not a fact.

Mr. WILLIAMSON. If the gentleman will consult the price index he will find that it is so.

Mr. CONNALLY of Texas. The gentleman is undertaking to find an excuse. He comes from that section of the country where his constituents are seeing a little bit of light, and my remarks have directed his attention to the sore spot and he could not keep his seat. He had to get up and say something to put in the Record along that line to justify his conduct. I am not talking about the Underwood bill. I am talking about the Fordney-McCumber bill. I am not talking about history. I am talking about a condition—a present condition. Now, let us see. Is not the gentleman willing to take off a little bit of the tariff?

Mr. WILLIAMSON. We are willing to take off some of the tariff on some things that do not need so much protection, but we are not willing to take off enough to destroy American labor or the American manufacturers, so as to destroy the home market for the American farmer. [Applause.]

Mr. CONNALLY of Texas. I understand the gentleman exactly. He is willing to say that he might take it off for the purpose of satisfying his people, but he is not willing to take off enough to do any good. [Laughter.] Now, on what articles is the gentleman willing to take off the tariff? I yield in my own time for the gentleman to get up and now name the commodities from which he is willing to take off the tariff. He sits there and says nothing. [Laughter.] Now, I yield to my colleague.

Mr. BLACK of Texas. I want simply to make a statement that during the life of the Underwood tariff law the purchasing power of the farmer as compared with the purchasing power of industry was the largest in the history of the country.

Mr. CONNALLY of Texas. I thank my colleague for that statement. The records prove it. Under that law our exports were the largest on record. I do not want gentlemen to get the idea that I have any particular objection to gentlemen interrupting me. It is helpful.

Mr. KINCHELOE. Will the gentleman yield?

Mr. CONNALLY of Texas. I yield to the gentleman.

Mr. KINCHELOE. I have in my office, and placed it in a tariff speech I made at the last session of Congress, a letter from Secretary of Agriculture Wallace and Secretary of Agriculture Jardine which shows that during the eight years of the Wilson administration the average purchasing power of the farmer was \$1.04, and last November it was 60.3 cents. We have that on the authority of two Republican Secretaries of Agriculture.

Mr. CONNALLY of Texas. And that is the only reason to doubt it. [Laughter.] Let me say to the gentleman from Kentucky, however, that those statistics have appeared in the Record from time to time, and everybody knows that they are official. Everybody knows that they are true, unless it be some gentlemen who want to escape the logic of those statistics and close their eyes to figures and their minds to conviction.

Mr. WILLIAMSON. Does the gentleman contend that the war period was a normal period in which to compare purchasing power? The gentleman knows that during the war you could

not ship agricultural products from Russia, Australia, or South America because of the lack of shipping?

Mr. CONNALLY of Texas. The gentleman has explained the subject entirely and thoroughly to his own satisfaction. Of course, the war was not a normal period, but the gentleman did not confine his statement to any particular period when he propounded his inquiry as to the purchasing power of the dollar under the Underwood bill.

Mr. WILLIAMSON. I propounded the question with reference to the years 1920 and 1921.

Mr. CONNALLY of Texas. Oh, anyone can pick out some little isolated instance away out yonder and undertake to generalize from that particular situation. The years 1920 and 1921 were not normal years while war deflation was upon us. I ask the gentleman what about the purchasing power of the farmer's dollar now, at this time? He refers to something that is history. It is our duty not to be worrying about what happened 20 years ago.

While you are here debating about what happened under somebody's else administration or during the war, the farmers are in distress and they need relief now, not 10 years ago. I believe we ought to address our attentions and labors to solving the problem now.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. SCHAFER. Did not the farmers' distress commence when the prohibition law, called the Volstead Act, was enacted? [Laughter.]

Mr. CONNALLY of Texas. Mr. Chairman, the gentleman wants to know if the farmers' distress did not begin with the enactment of the prohibition law. Of course, everybody knows that that is not propounded seriously. I know a good many farmers who were in much greater distress before the prohibition law than they have been since. If all of them were in the condition that the gentleman from Wisconsin evidently wants to make it easier for them to get in, it would not make any difference to them whether they had any money or not. They would think they had anyway. [Laughter.]

Probably the gentleman believes that if they had more liquor, that even if they had less money, they would not care. Evidently the gentleman from Wisconsin wants a return of that condition that is illustrated by a story which Senator HEFLIN tells about one of his constituents down in Alabama. A gentleman was preparing to move from Alabama to Texas. He was telling his friends good-by one night at the bar. He looked around as he was ordering the drinks and saw a fellow in rather ragged clothes and woe-begone expression, with whiskers four or five days' old, who looked as though he was in great despair, so he asked him to join them, and while they were indulging themselves in the good old-fashioned way, which the gentleman from Wisconsin wants to see return, this ragged individual spoke to his entertainer and said, "Well, they say you are going out to Texas." "Yes, I'm going out to Texas." "Well, you know I have a brother out in Texas, who lives out somewhere near Dallas. If you see my brother I want you to tell him that I have had an awful bad year. Under this tariff law we got nothing for our produce, nothing for our cotton, and have to pay high prices for everything we buy. My wife has been sick and the doctor's bill piled up, and one of my children died and I have the undertaker's bill facing me, and I just want you to tell my brother, if you see him, that if he ever expects to do anything for me, to do it now."

Senator HEFLIN's constituent said that he certainly would convey the message to his brother if he should ever see him. After they had had another drink or so the ragged man again approached his entertainer and said, "Well, you say you are going out to Texas?" "Yes; I am going out to Texas." "Well, I've got a brother out there in Texas who lives somewhere near Dallas, and if you see him I just want you to tell him that I am doing pretty well; that I made a fairly good crop and got a pretty fair price for it, and that I am getting along all right." They had two or three more drinks, and finally the man who was going to Texas said, "Well, I have just got to go now, boys, good-by," and one of them said, "Oh, now, we have had some drinks on you, let us have one more on me." This beraggle fellow took another drink with them, and just as the man who was going to Texas was leaving, he said, "Well, my friend, you say you are going out to Texas?" "Yes; I am going out to Texas; good-by." "I just want to say that I have a brother out in Texas who lives somewhere near Dallas, and if you happen to see him you just tell him that if he wants any money or anything to let me know." [Laughter.]

The CHAIRMAN. The time of the gentleman from Texas has expired.



Mr. BUCHANAN. Mr. Chairman, I yield five minutes more to the gentleman from Texas.

Mr. CONNALLY of Texas. Mr. Chairman, I was undertaking to discuss this matter seriously when the presence and the suggestion of the gentleman from Wisconsin [Mr. SCHAFER] were so reminiscent of that old period that it had the effect of diverting me, for a time, from the course of my remarks.

This whole question is a question of relative values. If a dollar to-day in the markets of the country would buy twice as much stuff as it does buy, the man who had the dollar would be practically twice as well off as he is now. So when you by law create an artificial price for one particular commodity, for the protection of one particular industry, and levy a tribute on other industries to supply that artificial bounty, in so doing you automatically, inexorably, without any equivocation or secret evasion of mind thereby subtract from the other industries that which you give to the favored industry. The gentleman from Wisconsin is big and strong when you stand him up by some fellow who is little and weak. One man is rich when you measure him by another man who is poor. One man is handsome when you measure him by some other man who is not. And so it runs all through economic life. When you give to one man you must take away from another man. I want to do something for agriculture.

I wonder if these gentlemen over here who believe so much in the tariff would be in favor of establishing a great governmental export corporation whereby the Government, in order to stimulate agricultural exports, cotton, wheat, corn, rice, would be willing to take enough out of the five or six hundred millions of dollars that are put into the Treasury through the tariff law on imports to pay an export bounty on agricultural exports in order to stimulate the foreign market in the purchase of the surplus that these gentlemen are always talking about. You could put a very small export bounty on agricultural products, and what would it do? It would not only increase the price the farmer would get for his exports, but it would stimulate the domestic price, because the domestic market would respond to the foreign market, and if that product was started to Europe, the domestic purchaser, in order to keep it at home, would have to meet the foreign price plus the export bounty. It works perfectly the other way with imports coming in.

The gentleman favors the import bounty. They believe that is sound. But I will wager there is not a man, not even the gentleman from Iowa [Mr. DICKINSON], not a high-tariff Republican, who will get up on this floor and say that he believes in and advocates it. I think, my friends, it is worth considering and worth studying whether or not the United States Government through some means might not stimulate the export of agricultural products. You advocate artificial stimulants to favorite industries. It may not be sound basically, but it is as sound as the old protective principle is sound. Wherever you are able to tax all the people in order to give benefit to one particular industry, is it not fair to take whatever you get out of that economic condition and give it back to the people who have created that fund? Of course, if we could control production in this country, as the industries are able to control their products, the question of an agricultural surplus would absolutely disappear. The trouble with the farmer and with agriculture is that they are not able, so large are the numbers engaged, so diversified, so far flung are the interests of agriculture, that through their own efforts they are not able to control production.

One of the helps is to reduce the acreage in certain products and try to secure a more balanced agriculture, and if possible, to stimulate consumption by every effort both abroad, at home, and elsewhere, stimulate consumption in agricultural products. Now in closing, my time is about gone—

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONNALLY of Texas. Will the gentleman yield me two minutes?

Mr. BUCHANAN. I yield the gentleman two additional minutes.

Mr. CONNALLY of Texas. Let me say in closing to the gentleman from Iowa. I hope that he and others who are so anxious to give some economic relief can through the committee of this House work out a plan that will be beneficial to agriculture and yet be basically sound. They were not able to do it last session, but I trust that they will be able to do it at this session of Congress. And let me say to the gentleman from Iowa that he gets up here and says that on some sweet day, at some other session of Congress, at some other year, some other time he might be willing to take the tariff off of aluminum or off steel a little bit. Now, let me say to the gentleman if he wants relief in that regard and those who sit on that side want such relief, I want the gentleman from Iowa to lead his followers in reducing the tariff now.

Let me say to the gentleman from Iowa if he can resurrect the old Iowa idea he talks about and let that idea evidence itself in action and not in words, and those similarly disposed on his side of the House will do what he says he wants to do, reduce the tariff on some of the articles the farmer has got to buy from the great industries which have been enriched by the law, why wait until next year, next Congress—

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BUCHANAN. I yield the gentleman two additional minutes.

Mr. CONNALLY of Texas. Why wait until the next Congress or next year? The gentleman may not be here years to come. I hope he may be, but he might not. The outraged farmers of Iowa might call him to the governorship of the State of Iowa, or something of that kind, and he might not be here. Why does not the gentleman come over here now? I do not ask him to come over here; I will come over there. If the gentleman has the courage, he will at this session bring in a joint resolution or bill or legislative device whereby we can scale down this iniquitous tariff and give immediate relief to the farmers now instead of some other time.

Mr. DICKINSON of Iowa. Will the gentleman yield?

Mr. CONNALLY of Texas. I yield.

Mr. DICKINSON of Iowa. There is no tax on cotton, and I can not see where a reduction of tariff would scarcely help out.

Mr. CONNALLY of Texas. That is simple. The answer to that problem is really too simple. There is no tariff on cotton, and a tariff on cotton would be of no aid, but if an old fellow got a dollar for his cotton and goes out to buy the things and the necessities which he has to buy, and which cost him now \$1.50 and with a reduction of the tariff he can buy them for a dollar, does not the gentleman understand it will benefit him in some way? [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CONNALLY of Texas. Now, let me say in closing that if the gentleman will act now, he will not need to bring in a general bill, but simply do as the President suggested with reference to taxes—the percentage reduction of taxes.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CONNALLY of Texas. Can the gentleman give me another minute?

Mr. BUCHANAN. I yield to the gentleman 10 minutes more.

Mr. CONNALLY of Texas. Let me say to the gentleman from Iowa [Mr. DICKINSON] when we talk about a general reduction of taxes at this session of Congress the President says, "Oh, no; the short session, of course, is no time to make a general reduction; simply adopt a joint resolution providing that the present rates will be continued, but when you come to pay them scale them down 15 per cent or 20 per cent or 25 per cent. It is perfectly simple and easy and requires no amendment and no general debate. Bring it in and shoot it through in 20 minutes."

If the gentleman will bring in a resolution or bill of that kind reducing the tariff rates, I shall be glad to join him; if he will get the Committee on Ways and Means, in behalf of struggling, stricken, and wounded agriculture, to bring in a joint resolution providing a flat tariff reduction, we will not need a general revision of the tariff, because we know what will happen in the case of a general revision, when all the diverse interests will be there knocking for favors at the doors of the Committee on Ways and Means.

But bring in a resolution reducing every tariff rate on the statute books 20 per cent or 30 per cent or 40 per cent or 50 per cent, and we can put it through the House readily if the gentleman from Iowa means what he says and if those who go with him mean what they say when they try to make the people of Iowa think that is what they mean. If they vote as they talk, we can reduce the tariff under the rates of the Fordney bill 50 per cent, and you will find that the dollars your farmers get from your wheat and your corn and your hogs out in Iowa will buy more aluminum goods and more steel that goes into the farmer's equipment, and even more clothes that the people out in Iowa in their stricken condition must wear, and all the other necessities of life, than do the dollars that the farmer has now in his pocket.

If the gentleman did not mean it when he said he believed the tariff ought to be reduced, why did he get up on the floor and say it ought to be reduced? If he believed that the tariff ought to be reduced, why did he postpone it to some indefinite time off in the future? If it ought to be reduced, it ought to be reduced

now. [Applause.] Not next year, but now; not after Mr. Lowden is nominated for President, but now.

It was very unkind for the gentleman from Iowa in his closing remarks to make some undue—and I am sure unwise—remarks about a presidential third term and that the incumbent of the presidential chair has served two terms in the Presidency. Why do some of the leaders on the Republican side want to snipe behind the lines? [Laughter.]

Why do you want to go back on the record of the Executive now in office? You know it is claimed that he has had only one term in fact. He was in the White House for an unexpired term to which he succeeded as Vice President, but the political experts now will tell you that that was not a term at all; that he was not President at all in that term but was simply Vice President acting as President, and they aver that under the Constitution he did not become President, but was really still Vice President, performing the duties of President, and when he was elected in 1924 that was the first term for which he was elected; and therefore in 1928 when the gentleman from Iowa will go up to the Republican National Convention with the delegates' credentials in his pocket, with a rubber stamp on them marked "Calvin Coolidge," he will be nominated then only for his second term and not for a third term.

Why does not the gentleman want the President renominated? Does he not believe in continuance in office for efficient public servants? The gentleman from Iowa himself is here in his fourth term, or perhaps fifth term, because his record has pleased the people of his State. The President tells you that there is prosperity in every corner of the land. Does not the gentleman from Iowa understand that there is prosperity out in Iowa among the wheat farmers?

I observe the Speaker sitting here on the left. I am glad to see him interested in this debate. I have spoken here now for 20 minutes in behalf of the American farmer. I have not hitherto, up to this moment, had the pleasure of having the Speaker of the House sit in my audience, but since I got to the third-term discussion the Speaker of the House has emerged from his study, which is congested with work on great governmental problems, and does me the honor not to sit on the back seat, not in the cloak room, peering out of a door, but does me the honor to sit on the front row in the "Amen" corner. [Laughter.]

Now, gentlemen, unless the Republican Party is prepared to repudiate the record of the present Executive; unless the Republican Party is willing to admit to the country that the present administration under the Republicans is not a success; unless the Republicans are ready to admit that this boasted prosperity of which the President so often prates is not real, that it is only artificial, only a picture painted on the canvas and not the substance, simply a moving picture on a screen and does not represent reality, how in the name of common sense are you going to refuse to nominate Mr. Coolidge for a third term? I believe he will be nominated for a third term. I do not want to see you utilize the President to serve every great interest in this country—I do not want you to make him the executive servant of the great corporations and the great trusts—I do not want you to be ungrateful for the willing service of the President as he stands at the outer door of the Manufacturers' Association, with his ear attuned to every sound that emanates from behind the glass doors, while he says, "Gentlemen, what do you want me to do?" I do not think it is fair and right to utilize the President's service to every important manufacturing industry for eight long years and then when he says, "I would like to serve you four more years," have you say, "Mr. President, we are willing to accept your services and the benefits you have conferred, but we have other adherents of the Republican Party who have served us faithfully, although in minor positions, and we think it is now their time to sit in the White House."

We think it is now their time to put on the red livery of the corporations; we think it is now their time to have the nomination as a reward for faithful services in the past and as a reward for the obsequiousness that has characterized their conduct as they served us. Were they not faithful to us as they stood around just before election time with bulging pockets over in Pennsylvania and in Illinois—with bulging pockets just before election? Mr. President, we have other faithful friends.

I think, my friends, they are entitled to something for their servitude and for the willingness that they have always evidenced to do all that these great interests wanted them to do—the interests that are on the top of these farmers and which will stay on top of the farmers as long as the gentleman from Iowa votes like he does with the ruling spirits of the Republican Party. He goes over and eats flapjacks in the White

House every time he gets a chance, and I suppose his only justification with the farmers back in Iowa is that by eating corn cakes and sausage he is increasing the consumption of farm products. [Laughter and applause.]

Mr. BUCHANAN. Mr. Chairman, I yield 20 minutes to the gentleman from Georgia [Mr. LARSEN]. [Applause.]

Mr. LARSEN. Mr. Chairman and gentlemen of the committee, during the World War the officials of this Government appealed to the citizens throughout the country for aid and said it was time that every man in this Nation should do his bit toward the winning of the war. There were many appeals, and more effort put forth for increasing the manufacture of our raw materials into manufactured products, and for the cultivation of our lands for the production of foodstuffs to be consumed, not alone by the soldiers and citizens in this country but to be used as supplies and foodstuffs for the armies of our allies, than in any other like period in the history of this Government. Our young men, in many instances, left the farms and went to the factories. Our old men and our women were left upon the farms; smaller children who were not large enough to go into the Army or to leave the farms were all called into service, and for the few years during the war and those immediately following it, perhaps, we produced as much foodstuffs in this country as was ever produced in America under like circumstances. I mention this to show you that the farmer did his bit, but the time has now come, gentlemen, when, in my opinion, someone else and some agency, other than the agricultural classes of this country, should do their bit. It is a very poor citizen indeed who is unwilling to support his Government, and it is not a very creditable thing for any government or government official to fail, either in time of peace or in war, to back up and encourage its citizens in every way possible. [Applause.]

The farmers of the South, of the West, and of the great Northwest are to-day confronted with one of the greatest farm problems in the history of this country, and I want to ask you gentlemen as serious, reflecting American citizens: Is this Government doing what it can and what it should to protect the interests of those classes? It is only a question of time when not only will the farmers be affected but every manufacturing industry and every mercantile enterprise from one end of this great Government to the other will be affected just as seriously as the farmer is affected at this time. [Applause.] These conditions are national and may become international. Therefore it is the duty of every man to see that the Government does all that it can at this time to ameliorate the conditions which threaten ruin to the interests of this Nation.

I hate to place myself in the position of saying that any official of this Government has failed or is failing to do his bit in this hour of distress; but, Mr. Chairman and Members of the House, if I may rely upon a paper published in my own State, which has the respect and confidence of all who know it, the evidence is very convincing that right here in Washington among the officials of this Government there are those employed to represent the Government at this time who have it in their power to help agricultural conditions and yet, instead of helping, are doing their bit toward making conditions worse. As a basis for this assertion I ask that the Clerk may read at this time an extract taken from the Macon (Ga.) Telegraph.

The Clerk read as follows:

[From the Macon Telegraph, December 9, 1926]

GOVERNMENT PROHIBITS USE OF AMERICAN GROWN COTTON IN CONTRACTS FOR SHIRTING—LEGAL DOCUMENT PREFERS PRODUCT OF FOREIGN COUNTRY TO THAT OF UNITED STATES

THE TELEGRAPH BUREAU,  
105 Kimball House.

ATLANTA, December 8.—Not only has the United States Government completely ignored the request of the governor of one of the "cotton States" to withhold the award of contracts for jute twice long enough to merely examine into the feasibility of using American-grown cotton instead of imported jute but it now develops that United States Government contracts which have been let for shirting specifically prohibits the use of American cotton in these goods and bases the contract on the use of Egyptian cotton.

In other words, the Government, which is supported largely by the tax it exacts from the agricultural peoples of the South, is placed in the position of prohibiting the expenditure of money which really belongs to those people for the produce grown by them and writes into a legal document not only that prohibition but a demand that the raw material, Egyptian cotton, a direct competitor to American cotton, be used in the manufacture of goods which the United States Government buys with American tax money.

These facts came out of the office of Gov. Clifford Walker to-day, with the comment by him that this procedure not only is unfair and unseemly, but is "downright criminal."



Recently Governor Walker, being advised of an award about to be made by the Post Office Department for 1,500,000 pounds of jute twine, wrote the postal and other Federal authorities in Washington, asking that the award of this contract be held up long enough to look into the practicability and advisability of using twine made from American cotton instead. The purpose was to bring about some form of cooperation on the part of the Federal Government with the cotton farmers of the South. Not only was the request not complied with, according to information here, but it was actually ignored.

#### CONTRACTS AWARDED

Then came information to the governor of large contracts recently awarded by the United States Government to New England spinners for shirting—a cloth commonly made from American cotton and sold all over the Nation as an American cotton product—with the provision written in the contracts carrying a mandatory requirement that the goods be made from Egyptian cotton. Against this Governor Walker has again entered a solemn protest in the name of the State. Letters have been written to the President, to both Georgia Senators, and to Members of Congress. Following is a copy of his letter to Congressman W. W. LARSEN, which is similar to letters written other Georgia Representatives in Washington:

"DEAR MR. LARSEN: I acknowledge receipt of your letter, and, in behalf of the farmers of the South, I desire to express my appreciation of the valuable assistance you are rendering in the movement to increase the uses of cotton and cotton products.

"You are reminded that, prosecuting the campaign to secure additional uses for cotton and cotton products, we discovered that the Government at Washington was advertising for 1,500,000 pounds of twine, the specifications requiring that twine to be made from imported jute instead of cotton. We requested that the award of bids be delayed, giving us a chance to demonstrate that cotton twine could be used just as satisfactorily and just as economically.

"I am advised that the Post Office Department has taken the position that they are bound by the strict letter of the law, which requires them to award the bids to the cheapest product. No attention has been paid, so far as I have been able to ascertain, to our suggestion that the Post Office Department hold up awarding the bids until the matter could be adjusted on such a basis as to justify the economical use of cotton in preference to imported jute. I regret that no such effort seems to have been made by the President, Mr. Hoover, or Mr. Meyer, who was appointed by the President to cooperate with the cotton farmers of the South.

"You will be interested to know that I am to-day in receipt of official notice that the Government recently entered into a contract for shirting for use of the Government, the specifications requiring the use of Egyptian cotton. This is not only perfectly ridiculous but, in my judgment, criminal in view of the straits of cotton farmers of the South.

"I trust you will investigate this matter and continue the fight. We shall certainly demonstrate whether the Government officials are sincerely interested in the farmers of the South.

"With an expression of my high personal esteem and good wishes,

"Very sincerely yours,

"CLIFFORD WALKER, Governor."

Subsequent to the release by Governor Walker of his letter to Congressman LARSEN, the matter was taken up with some officials of agricultural organizations, and it is understood some formal action will be taken by them drawing attention of Congressmen, not only from Georgia but from the other cotton-producing States, to the facts brought out by Georgia's governor, and some congressional action in all probability will be asked which will require the Government to give at least first consideration to domestic raw materials before buying the same or similar finished products made of imported materials which are in competition with American farms.

JOHN W. HAMMOND.

Mr. LARSEN. Mr. Chairman, in justice to the Post Office Department, I wrote the purchasing agent, or called him over the phone, and asked for his explanation as to why this contract had been or was sought to be awarded for jute twine instead of cotton twine. He wrote me a letter in which he said that the lowest quotations on jute were 12½ cents a pound, and that the lowest quotations received on cotton came from North Carolina, and were 20.75 cents per pound. He contends that under the law he is forced to award the contract to the party who makes the lowest and best bid, but I contend, as does the Governor of Georgia, and others, that the lowest and best bid did not mean the yardage, but the quality of the product purchased. The cotton farmers, and manufacturers of cotton products desired and requested an opportunity to be heard on the matter. Yet, the Government, without granting the courtesy of a hearing, proceeded to award the contract. Why? Did the circumstances or conditions justify such hasty action? I do not think so.

And it is that question to which I call your attention. I contend, and I do so upon the statement and authority of others

who are in a good position to know, that the difference between jute and cotton twine as set forth in the letter from the department do not mean that jute represents the lowest bid and is the cheapest twine to be used. The twine purchased is used for wrapping packages, and on the basis of yardage it requires more jute twine than it would cotton twine for wrapping these packages.

For instance, in order to wrap a package substantially with jute twine it should be wrapped two, three, or four times, while with cotton twine once or twice. Therefore, in the actual consumption of the product purchased, the Government would get just as much service, if not a cheaper commodity, in buying the cotton twine.

This is the question the cotton farmers and manufacturers wanted to be heard upon. It is a question they have a right to be heard upon, and it is a question, gentlemen of the committee, which in my opinion, if they were heard upon, they would win out in the contest. [Applause.] But whether or not they win, they are certainly entitled to the privilege of being heard. The farmers of this country during the war heard every cry and every appeal that was made from the War Department, that was made from the Post Office Department, or that was made from any other department of this Government, and yet, when they are in dire need and distress and make an appeal to their Government that should rise to their assistance, just as they responded when it needed assistance, they can not be heard. Their requests are ignored.

The Government, through the Post Office Department, uses two and a half million pounds of jute twine per year. Thus you see it is a matter that concerns not alone the cotton farmers of the South, but also the manufacturers of cotton in New England and Southern States.

It was Ludlow & Co., one of the largest manufacturers of jute in New England, whose bid for the contract was accepted. The cotton producers of the South preferred that some other company have the contract rather than an importer of jute twine. It was to their interest and they desired to be heard, yet they were not given the opportunity. Some man who imports jute into this country from India, and from far across the sea, was given the preference by contract. Why, I do not know.

Not only that, but the Governor of Georgia says in this article, if he is quoted correctly, that he has official information that a department of this Government has awarded a contract for shirting and that there is written into the contract, words which specifically require that this shirting must be made from Egyptian cotton. Why all this preference to importers of Egyptian cotton? Why is such cotton preferred to American cotton? It is not so good as American. Why such discrimination against America?

My friends, I have been hearing, since I was a boy, that America had a complete monopoly in the production of cotton, but if you will investigate, I think you will find the statement is an error. For the year 1925 the cotton acreage of India, alone, was more than 26,000,000 acres—about 26,461,000 acres. In recent years Egypt has increased its acreage. Seventeen different countries throughout the British Empire are to-day growing cotton in competition with the American farmer. Their average production is more per acre and it is produced at less cost. What are we doing to meet the competition? Did you know, my friends, that a tax of twopence, or about 12 cents, is levied upon every bale of cotton that is imported into Great Britain from America? The sum amounts to about \$480,000 upon the 4,000,000 bales they import from America every year; and what do they do with it? It is given over to the British Empire Cotton Growing Corporation to be used in fostering the production of cotton in India, in Australia, in Africa, in Egypt, Sudan, and other Provinces.

The American farmer is helping to pay the bill, and according to this press statement officials of the Government are discriminating against American farmers and American interests and in favor of importers of jutes from India and cotton from Egypt. The Government, which is supposed to protect the American cotton grower and the American manufacturer of cotton goods, does not even give them a chance to be heard before the officials of the Post Office Department. Has this splendid army, which we are maintaining as a division of the Government, awarded a contract for shirting specifically specifying that the goods must be made from Egyptian cotton? If so, I wonder whether in case of war, they would be willing, when it came to drafting soldiers to fight their battles in defense of the Republic, to rely upon a draft of Egyptian boys. [Applause.] If they are not willing to depend in their hour of need on men across the sea to increase the ranks of the Army, they have no right at this or other time to depend upon the American farmer, and the Government should not tax him to pay the Army's bill. [Applause.]

Mr. LOZIER. Will the gentleman yield for a question?

Mr. LARSEN. I yield to the gentleman.

Mr. LOZIER. Is it not a fact that long staple, sea island American cotton grades higher and is considered better than the Egyptian long-staple cotton?

Mr. LARSEN. Generally speaking, that is correct.

Mr. LOZIER. And is it not also true that it is the policy of the British Empire now being put into effect to encourage the production of cotton in all the Provinces and in all the dominions in order to take from America the preeminence in cotton which she has enjoyed for 100 years?

Mr. LARSEN. In answer to that question I will say that as far back as 1902, almost a quarter of a century ago, the British spinners, realizing the conditions the gentleman mentions, realizing that the American farmers held the key to the situation, set about to increase the production of cotton throughout the British Empire. They expended large sums of money to increase production of cotton in the Empire. In 1915 while the war was on they appointed a committee whose business it should be to ascertain the best methods of growing and producing cotton in the British Empire so that they could be independent of the American grower. That committee did not report until 1919, after the war. When the committee made its report the British Government appropriated one million pounds sterling, or about \$5,000,000, to enable the cotton corporation to go out into the different provinces of the empire and increase the growth of cotton.

To-day the British Empire is doing everything possible to produce within its dominions all the cotton it needs and to become absolutely independent of the American farmer. They only use annually at this time about 4,000,000 bales of American cotton, and when they increase production by that amount they will probably be independent of the American cotton grower. We had a carry over last year of about 4,000,000 bales.

We have a production this year of about 18,000,000 bales. This means bankrupt prices to the American grower. If the men in authority in this Government do not aid the cotton farmer, if they do not find some method whereby the producer of cotton can market it, at least at cost of production, then the Government itself must, in a measure, suffer. When the industries of this country fail, when they can no longer pay a tax to support the Government, every branch of the Government and every industry in the Nation must be injuriously affected. It is an insane policy and an unjust one which discriminates against the American farmer. [Applause.]

Mr. Chairman, this is not a sectional question, and it is not a question that concerns the cotton producer alone, but is a matter that concerns this Government. Every interest is vitally affected. The man in New England, the consumer in the West, the manufacturers everywhere—all are vitally affected. We must take hold of the situation and remedy it as soon as possible.

Last year there was imported into this country, free of duty, from India and elsewhere 62,470 tons of jute and manufacturers of jute, worth \$11,996,582; jute butts, free of duty, to the amount of 2,081 tons, worth \$312,496; jute waste bagging and sack cloth to the amount of 16,130,212 pounds, valued at \$520,678; jute burlaps to the amount of 625,815,937 pounds, worth \$85,027,954; jute bagging for cotton, gunny cloth, and so forth (duty paid), \$3,473,699; woven jute fabrics (duty paid), 2,012,413 pounds, valued at \$739,873; jute bags or sacks (duty paid), 48,070,063 pounds, valued at \$5,946,374; jute yarns to the amount of 776,838 pounds valued at \$113,018 and other manufacturers of jute to the amount of \$360,385. This immense amount of jute was worth in the aggregate \$108,491,009 and every ounce of it came into direct competition with cotton and other products produced by the American farmer. It is time that the American farmer and the American business man, as well as the consumers of American products, were waking up to the seriousness of this situation. If we are to preserve American agriculture and American institutions we must, so far as possible, prefer and use American products instead of foreign commodities. Our first allegiance is to the American farmer. When he is unable to supply our needs, it will be time enough to import goods from foreign markets which come into direct competition with our own agricultural products.

Mr. DENISON. Will the gentleman yield?

Mr. LARSEN. Yes.

Mr. DENISON. Do all of those commodities the gentleman speaks of come in direct competition with our cotton?

Mr. LARSEN. Generally speaking; yes. They come into direct competition with both cotton and hemp produced in this country.

Mr. DENISON. Is there a tariff on these articles?

Mr. LARSEN. On some there is and on some there is not.

Mr. DENISON. Would it not help the farmer if we put a tariff on it?

Mr. LARSEN. I realize that I have not the same idea on this question as the gentleman from Illinois has. I think the interests of the farmer would be best served by taking the tariff off of articles that he consumes.

Mr. DENISON. Would it not help the farmer if we put a tariff on these articles that the gentleman mentions?

Mr. LARSEN. Jute bagging has a duty on it to-day and quite a number of other jute products have a duty. Whatever protection the Republican Party proposes to give the American farmer by levying that duty on jute has inured to the benefit of the farmer, but, notwithstanding this assistance, they are going into bankruptcy everywhere.

Mr. DENISON. Personally I would be in favor of increasing the tariff on jute.

Mr. LARSEN. I desire to emphasize the point that any red-blooded American citizen selected by the American people to serve in the War Department the great Post Office or other departments, should have enough American manhood, enough American spirit, to stand by and exercise the functions in favor of the American citizen. [Applause.] A man who is supported by the taxpayers' money should be patriotic enough and big enough to stand by the American farmer. [Applause.]

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. BUCHANAN. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. O'CONNOR].

Mr. O'CONNOR of Louisiana. Mr. Chairman and gentlemen of the committee, I trust that you will bear with me for the 15 minutes allotted me by the distinguished gentleman from Texas [Mr. BUCHANAN]. I am not going to make any nomination for either the Democratic or the Republican Party. I dare say that important function will be discharged by selected delegates in convention in each instance assembled for that purpose. I am not going to discuss the tariff, because, after all, the controversy that has raged in and around that subject since the beginning of the Government apparently has not gotten us very far in the way of bringing intellectual conviction to the masses of the people in any generation since the arguments, pro and con, began. The discussions appear to be more humorous in some instances and rancorous in others than logical. At any rate, I am satisfied that the tariff is institutional with our people and Government, and I do not think there will be any great modification of that viewpoint for many years to come. In so far as my observations have permitted me to view the matter, I never really could see any great difference between the Democratic and the Republican attitude with respect to the tariff. There is a statue down on Seventh Street and Pennsylvania Avenue erected to commemorate the military glory and renown of Gen. Winfield Scott Hancock. I heard a facetious fellow, wittily inclined, one day remark that General Hancock's military exploits would be forgotten, but that he will be immortalized in American history because he said "The tariff is a local issue," and that is what millions of Americans think it is. That viewpoint has been in evidence to-day. The distinguished gentleman from Texas [Mr. CONNALLY], who is always forceful, eloquent, and pleasing in his address, came dangerously near, if I may use that word, to making a free-trade speech. He was followed by an equally learned and distinguished gentleman from another Southern State, the State of Georgia, who in effect, if not in essence, made a protective-tariff speech. I know that he will disclaim it, but his cry was for protection for American cotton and binding as against Egyptian cotton and Egyptian binding. I repeat, I do not know that I can add much to the subject, because it has been discussed almost interminably.

I understand that in years gone by the discussion led to such rancorous encounters that both the Democrats and Republicans were greatly disappointed when fisticuffs as an eventuality were not engaged in, very much like the celebrated Donnybrook Fairs fights in Ireland, where men seriously regretted, as a result of heated discussion, that some engagement had not taken place before 12 o'clock. In other words, political and oratorical opponents do not carry their belligerence as far now as they did some years ago, either here or across the seas. As I said, I do not intend to engage in controversy now or hereafter about the tariff question, but for the life of me I can not see how anyone could or can expect the American farmer to prosper permanently by practically annihilating American industry, by laying low our manufacturing enterprises, and pulling to the ground our great commercial organizations. I do not want to see such a day of ruin ever confront the American people. I do not want to see what I saw six or seven years



ago during the great depression, when I rode from here to Boston. I then saw great factory chimneys without a wreath of smoke coming from them, and men standing about with their hands in their pockets presenting such an aspect of gloom and disaster that apparently a cemetery would be a cheerful and inspiring place in comparison. That tragedy in our national life was caused, it is fair to say, by overproduction in our mills and industries and the deflation that necessarily follows every inflation, for it is axiomatic that the pendulum will swing back as violently as it moved forward. In other words, no sort of a tariff could have made or prevented, with all of the other causes operating to produce it. I can not see how anyone can expect America to prosper as a result of the tariff being razed to the ground or done away with entirely, although that is insupportable, because we are not going to commit such a folly as that merely in order to give the farmer a temporary advantage, because it would be a temporary advantage which would permit him to buy his needs entirely free of a tariff. I am for a reasonable protective tariff, I suppose, like the majority of my countrymen; and I can not help but make the observation—and I am not doing it for the purpose of embarrassing any of my colleagues from the South, where I was born and reared—that I remember some years ago when some Republican, I think facetiously, proposed a tariff on cotton of more than an inch and one-sixteenth in staple length that a great pandemonium and scampering was caused on the Democratic side because almost every fellow interested in cotton wanted to vote for that particular rate although he was most anxious that the balance of the tariff rates should be as low as possible.

In my judgment it would be inconceivable stupidity and fearful folly for us to destroy American industry, American commerce, merely for the purpose of gratifying temporarily the farmer by reducing the tariff to such a point where our commerce would go tottering to its destruction and fall. Of course, I feel a sympathetic interest in the farmer. As a matter of fact, all of my forebears, I suppose, for thousands of years, both male and female, came from the country. Mr. Bryan very felicitiously said that you may burn down the cities and that the country will build them up, but that if you destroy the country the grass will grow in the streets of your cities. I have always thought there was considerable wisdom and fact in that attitude, and that the cities were to a large extent dependent upon the success of the country; but I am not in accord with the views expressed by the gentleman from Texas [Mr. CONNALLY], because in my judgment his proposal would destroy the American market and close it to the sale of farm products and by prostrating the millions who are not farmers involve the agriculturist in the general ruin. It would lead to economic disaster. You might apparently for a moment benefit the farmer, but you would have millions and millions of men interested in industrial and commercial life all go idle and penniless. The foundation, the mudsills of this country industrially, financially, commercially, is the protective system—protective in the largest and fullest significance of the word. One can not disturb that foundation fundamentally without shaking the whole superstructure to such an extent as to bring about a crash.

The Democratic platform, as I understand it, is a tariff for revenue, or, as that has been interpreted in recent years, a tariff that will cover the difference in the cost of production here and abroad. Clearly the revenue depends upon the rates—and the question of what rate will produce the most revenue is a matter of opinion. The policy of protection is based upon the idea that if the products of the steppes of Russia and the Nile are permitted to come in equal competition with American products the producers of these products will be necessarily forced into the same economic and social position. This conclusion, in my judgment, is inescapable. And if the big majority of Americans are reduced to the status of peons, fellahs, and coolies, with a purchasing capacity reduced to nil, how can the farmer remain prosperous under such conditions and surrounded by such an economic and social environment? But, enough of the tariff for to-day!

Mr. Chairman, I rose largely for the purpose of saying a few words in regard to what I consider a necessity for this country, if not immediately, then certainly in the near future. Senator du Pont endeavored to anticipate a coming necessity, in my judgment, in this country by introducing a bill providing for a great national highway running east and west. It is a very ambitious and comprehensive plan. It provides for a road, I believe, 500 feet in width—

Mr. ARENTZ. For a right of way of 500 feet.

Mr. O'CONNOR of Louisiana. For a right of way of 500 feet, which in all probability will make for one of the greatest assets of this Nation, because it is unnecessary for me to point out that the great roads of this sort, perhaps, have been more

instrumental in bringing the various parts of the country into closer relationship and promoting companionship of the people and a larger interest than any other instrumentality brought into our national life. So I am absolutely in favor of that proposition. It seems to me that the suggestion of the Senator might have gone further and provided for a road over the old Spanish Trail, leading along the Gulf of Mexico largely and the southernmost parts of our country, but connecting the two oceans in just the way contemplated by the du Pont bill. I think, also, that a great national road might be run from north to south. I had the pleasure to make a trip recently on what is known as the "Palm to Pine" trip from New Orleans to Winnipeg. We left New Orleans in 40 automobiles, three and four persons to the car. There was a trip made three years ago by our Canadian cousins from Winnipeg to New Orleans, styled the "Pine to Palm," and we responded, and returned the visit, calling ours the "Palm to Pine" trip.

Mr. Chairman, in the beginning, I viewed that trip with a great deal of apprehension. I thought I was going to suffer a good deal of hardship, and I was not very enthusiastic at all; but I was assured by the mayor of the city of New Orleans and a great many other of my friends who exercise considerable influence in the city, that they felt I ought to go and speak in our many stops about the highways, waterways, and railroads and endeavor to communicate the attitude of Congress on these important matters as pleasantly as I could to our countrymen, and that in the trip was a great opportunity for public service. I undertook the trip most reluctantly, and I want to say it was not a hardship, but a great pleasure. Such is life, many of our forebodings vanish and the realizations are more agreeable than the anticipations. Leaving the city of New Orleans we rolled over gravel roads in Louisiana, which, in my judgment, are not excelled by any roads in the world, a great highway which led by Baton Rouge, Alexandria, and Shreveport in Louisiana to Dallas in Texas. Then coming back to the Jefferson Highway we skirted the Ozark Mountains, all through Oklahoma, on through inviting Kansas, lordly Missouri, wonderful Iowa, and Imperial Minnesota, and then over the line through the Province of Manitoba to Winnipeg. Coming back through the State of 10,000 lakes, we crossed the river at Duluth and got into Wisconsin. Before leaving Minnesota let me say, that if there is anything more inspiring in the industrial life of America than the Mesaba iron mines I have never seen it. It was in the fall of the year; the latter part of October. All nature seemed in tune. The splendor seemed to fall on everything, as well as "castle walls."

I do not believe that I will ever again behold such a perfectly wonderful riot of color, such an amazing number of shades in the seven primary colors as I noticed on the trees, the leaves of which were then beginning to turn, and turning rapidly, at that season of the year. I thought I had seen something that appealed to me as a glorious vision in the Shenandoah Valley some years ago, and that I would never behold the like again. From the foot of the Shenandoah Valley, looking up the mountain side, the trees looked like a million rose bouquets up in the air. But I must confess that the winter coloring that I saw in the scenery of Wisconsin will never be forgotten because of the impression it made on my mind. Vivid as a sunset, as sad as the death of day. I can understand why so many tourists go into that beautiful State and into the magnificent State of Minnesota.

The Mississippi River is one of the widest and greatest rivers of the world when it reaches New Orleans, where I was born and reared. It was a great pleasure to me to go into Lake Itasca where the headwaters of the Mississippi find their rise. It seemed so narrow at its source, at that point, that I could almost jump across it. The Jefferson Highway, over which we made the great trip, is a wonderful highway, and, I understand, in its progressive links furnishes as great a commerce as could be carried across the country from north to south by two great trunk lines. There is in the different sectors so much commerce as totals an amount equivalent to what would be carried by two great trunk lines equal to the Southern Pacific. That may be slight exaggeration, but it tends to show the value of this road. That road could be nationalized—that is, taken over by the Government under its interstate powers—and made as great an asset as the Spanish Trail when nationalized and the road in the contemplation of Senator du Pont.

I think, my friends, that this country's supremacy in years to come will rest upon its transportation facilities. I believe in the unification of waterways and highways and railways, so that we will have one great system, a splendid unit, that will make for economy in transportation, and which will, of course, beneficially affect commerce to a very appreciable extent. I believe also in the highways for the mobilization of our troops in the event the bugle blast ever calls our boys again to arms.

God grant that such a contingency may never come, but patriots know that kingdoms by blood gained must be by blood maintained, and that the great riches of this country are a challenge to the predatory instincts of other countries. I am for national roads. I am for see America first. [Applause.]

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. O'CONNOR of Louisiana. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. If there is no further general debate the Clerk will read.

The Clerk read as follows:

*Be it enacted*, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture for the fiscal year ending June 30, 1928, namely:

Mr. MAGEE of New York. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TREADWAY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 15008) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1928, and for other purposes, had come to no resolution thereon.

#### DECEMBER SALARIES TO CAPITOL EMPLOYEES

Mr. MADDEN. Mr. Speaker, I ask for the immediate consideration of the resolution which I present.

The SPEAKER. The gentleman from Illinois asks unanimous consent for the immediate consideration of a resolution, which the Clerk will report.

The Clerk read as follows:

House joint resolution (H. J. Res. 305) authorizing payment of salaries of the officers and employees of Congress for December, 1926, on the 20th day of that month

*Resolved, etc.*, That the Secretary of the Senate and the Clerk of the House of Representatives are authorized and directed to pay to the officers and employees of the Senate and House of Representatives, including the Capitol police, the Office of Legislative Counsel, and employees paid on the vouchers under authority of resolutions, their respective salaries for the month of December, 1926, on the 20th day of that month.

The SPEAKER. Is there objection?

Mr. MADDEN. This is the usual resolution.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

#### BRIDGE ACROSS THE OHIO RIVER AT GALLIPOLIS, OHIO

Mr. DENISON. Mr. Speaker, I ask unanimous consent for the present consideration of a bill, which I send to the Clerk's desk.

The SPEAKER. The gentleman from Illinois asks unanimous consent for the present consideration of a bill, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 13504) to amend the act entitled "An act granting the consent of Congress to the Gallia County Ohio River Bridge Co. and its successors and assigns to construct a bridge across the Ohio River at or near Gallipolis, Ohio," approved May 13, 1926

*Be it enacted, etc.*, That the act entitled "An act granting the consent of Congress to the Gallia County Ohio River Bridge Co. and its successors and assigns to construct a bridge across the Ohio River at or near Gallipolis, Ohio," approved May 13, 1926, is amended by striking out the word "Kentucky" wherever it occurs in such act and by inserting in lieu thereof the words "West Virginia."

The SPEAKER. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, as I understand it, this is to correct a typographical error?

Mr. DENISON. This is to correct a typographical error, which was not discovered until after the bill had become a law.

Mr. GARRETT of Tennessee. The committee was not able to distinguish between Kentucky and Virginia at the time?

Mr. DENISON. Well, some of us were not.

The SPEAKER. Is there objection?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. DENISON, a motion to reconsider the vote by which the bill was passed was laid on the table.

#### PERMISSION TO FILE MINORITY VIEWS

Mr. BOWLING. Mr. Speaker, on yesterday the Committee on the Judiciary reported a bill of some importance and filed the report of the committee. I would like to ask to have until the 4th of January next to file minority views on that bill, H. R. 8902.

The SPEAKER. The gentleman from Alabama asks unanimous consent that members of the minority of the Judiciary Committee may have until the 4th of January to file minority views. Is there objection?

There was no objection.

Mr. JACOBSTEIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JACOBSTEIN. The bill H. R. 6238 having passed the House, having been amended by the other body, and having come back to the House, may I ask what the status of the bill is?

The SPEAKER. On the request of the chairman and ranking minority member of the Committee on Immigration, the House not having taken any action or suggested any action, the Chair referred the bill to the Committee on Immigration.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. PRATT, for several days, on account of sickness.

#### ADJOURNMENT

Mr. TILSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 6 minutes p. m.) the House adjourned until to-morrow, Thursday, December 16, 1926, at 12 o'clock noon.

#### COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Thursday, December 16, 1926, as reported to the floor leader by clerks of the several committees:

##### COMMITTEE ON AGRICULTURE

(10 a. m.)

Relating to certain cotton reports of the Secretary of Agriculture (H. R. 14245).

##### COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Independent offices; War Department; State, Justice, Commerce, and Labor Departments appropriation bills.

##### COMMITTEE ON FOREIGN AFFAIRS

(10 a. m.)

Expressing the approval of the United States Congress of the proposed international project to erect a memorial at Santo Domingo, Dominican Republic, to Christopher Columbus (H. Con. Res. 41).

##### COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

Report on promotion and retirement by the Chief of Staff.

##### COMMITTEE ON THE POST OFFICE AND POST ROADS

(10 a. m.)

To provide for the admission to the mails as second-class matter bulletins and periodical publications issued by State boards and departments having jurisdiction over or engaged in promoting the conservation and development of natural resources (H. R. 8717).

##### COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

(10.30 a. m.)

To authorize the sale of part of United States veterans' hospital property at Broadview, Ill. (H. R. 7745).

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

787. A letter from the Postmaster General, transmitting report with the facts in the claim of Mr. Ira E. King, postmaster at Stillwater, Minn., for credit on account of loss sustained in the burglary of the post office on December 5, 1925; to the Committee on Claims.

788. A letter from the Postmaster General, transmitting report with the facts in the claims of Mr. Frank E. Shults, post-



master at Baraboo, Wis., for credit on account of loss sustained in the burglary of the post office on June 30, 1926; to the Committee on Claims.

789. A letter from the Postmaster General, transmitting report with the facts in the claim of Mr. Roswell H. Bancroft, postmaster at Palisades, Colo., for credit on account of loss sustained in the burglary of the post office on August 2, 1924; to the Committee on Claims.

790. A letter from the Postmaster General, transmitting report with the facts in the claim of Mr. Matthias R. Munson, postmaster at Prairie du Chien, Wis., for credit on account of loss sustained in the burglary of the post office on September 12, 1925; to the Committee on Claims.

791. A letter from the Postmaster General, transmitting a report with the facts in the claim of Mr. Fred A. Knauf, postmaster at Sheboygan, Wis., for credit on account of loss sustained in the burglary of the post office on October 17, 1925; to the Committee on Claims.

792. A letter from the adjutant general of the Grand Army of the Republic, transmitting a report of the Sixtieth National Encampment of the Grand Army of the Republic, held at Des Moines, Iowa, on September 19 to 25, 1926 (H. Doc. No. 591); to the Committee on Military Affairs and ordered to be printed, with illustrations.

793. A letter from the Secretary of War, transmitting a report from the Chief of Engineers on preliminary examination and survey of the outer harbor of Fairport Harbor, Ohio, with a view to extending the breakwater and making other improvements (H. Doc. No. 592); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BOIES: Committee on the Judiciary. S. 475. An act to authorize the President of the United States to appoint an additional judge of the District Court of the United States for the Southern District of the State of Iowa; without amendment (Rept. No. 1624). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. S. 3444. An act to amend the act of February 11, 1925, entitled "An act to provide fees to be charged by clerks of the district courts of the United States"; without amendment (Rept. No. 1625). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 13500. A bill to amend section 176 of the Judicial Code; without amendment (Rept. No. 1626). Referred to the Committee of the Whole House on the state of the Union.

#### CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 13417) granting an increase of pension to Lizzie Rankin; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 13418) granting an increase of pension to Nancy Ridgway; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 13419) granting an increase of pension to Elizabeth May; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 14202) granting a pension to Eliza Gibbs; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 15044) for the relief of Fernando Montilla; Committee on the Post Office and Post Roads discharged, and referred to the Committee on Claims.

A bill (H. R. 15077) for the relief of James Henry Payne; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STROTHER: A bill (H. R. 15205) to regulate the fees of clerks of United States district courts or deputies and assistants who may be appointed United States commissioners; to the Committee on the Judiciary.

By Mr. CONNALLY of Texas: A bill (H. R. 15206) providing for research and investigation by the Department of

Commerce of cotton and its by-products with a view to discovering additional commercial and scientific uses for cotton and its by-products; to the Committee on Interstate and Foreign Commerce.

By Mr. McLAUGHLIN of Nebraska: A bill (H. R. 15207) to create a Federal agricultural corporation to provide economic guidance of the production and the marketing of the basic commodities of agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. GIBSON: A bill (H. R. 15208) to provide for the detention of fugitives apprehended in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SIMMONS: A bill (H. R. 15209) to amend section 93, chapter 5, of the act of Congress of March 3, 1911, entitled "The Judicial Code"; to the Committee on the Judiciary.

By Mr. STEVENSON: A bill (H. R. 15210) to provide further aid to disabled veterans of the World War; to the Committee on World War Veterans' Legislation.

By Mr. BERGER: A bill (H. R. 15211) to amend the immigration act of 1924; to the Committee on Immigration and Naturalization.

By Mr. BRITTEN: A bill (H. R. 15212) to amend section 24 of the act approved February 28, 1925, entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve"; to the Committee on Naval Affairs.

By Mr. GRAHAM: A bill (H. R. 15213) to amend section 260 of the Judicial Code, as amended; to the Committee on the Judiciary.

By Mr. BLACK of New York: Resolution (H. Res. 338) to investigate the United States Navy; to the Committee on Rules.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWNE: A bill (H. R. 15214) granting a pension to Thresa Coleman; to the Committee on Invalid Pensions.

By Mr. BUTLER: A bill (H. R. 15215) for the relief of Paymaster Charles Robert O'Leary, United States Navy; to the Committee on Naval Affairs.

By Mr. COLLINS: A bill (H. R. 15216) granting a pension to Cornelia A. Parsons; to the Committee on Invalid Pensions.

By Mr. COOPER of Ohio: A bill (H. R. 15217) granting a pension to Isadora Maurer; to the Committee on Invalid Pensions.

By Mr. DEAL: A bill (H. R. 15218) granting an increase of pension to Eva F. Pinkney; to the Committee on Pensions.

Also, a bill (H. R. 15219) granting an increase of pension to Fanny L. Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15220) granting an increase of pension to Lida B. Elkins; to the Committee on Invalid Pensions.

By Mr. DENISON: A bill (H. R. 15221) granting an increase of pension to Sarah Hall; to the Committee on Invalid Pensions.

By Mr. FAUST: A bill (H. R. 15222) granting an increase of pension to Elizabeth C. Cleveland; to the Committee on Invalid Pensions.

By Mr. FREEMAN: A bill (H. R. 15223) granting an increase of pension to Josephine Baton; to the Committee on Invalid Pensions.

By Mr. GARBER: A bill (H. R. 15224) granting a pension to Malinda C. Opdyke; to the Committee on Invalid Pensions.

By Mr. GARDNER of Indiana: A bill (H. R. 15225) granting an increase of pension to Ann Eliza Haley; to the Committee on Invalid Pensions.

By Mr. GRAHAM: A bill (H. R. 15226) to amend the military record of James M. Kelly; to the Committee on Military Affairs.

By Mr. HALL of Indiana: A bill (H. R. 15227) granting a pension to Lucinda A. Pitzer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15228) for the relief of Estle David; to the Committee on Military Affairs.

By Mr. HAYDEN: A bill (H. R. 15229) granting a pension to Cornelius P. Cronin; to the Committee on Pensions.

By Mr. HULL of Tennessee: A bill (H. R. 15230) to correct the military record of John T. Bandy; to the Committee on Military Affairs.

By Mr. JOHNSON of Illinois: A bill (H. R. 15231) granting an increase of pension to Mary E. Kundinger; to the Committee on Invalid Pensions.

By Mr. KELLER: A bill (H. R. 15232) for the relief of the Canadian Pacific Railway Co.; to the Committee on Claims.

Also, a bill (H. R. 15233) for the relief of the Canadian Pacific Railway Co.; to the Committee on Claims.

By Mr. KELLY: A bill (H. R. 15234) for the relief of Emerson P. Cole; to the Committee on Claims.

Also, a bill (H. R. 15235) for the relief of Mary A. Cole; to the Committee on Claims.

By Mr. KIEFNER: A bill (H. R. 15236) granting an increase of pension to Sarah E. Adams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15237) granting an increase of pension to Gertrude Cissell; to the Committee on Invalid Pensions.

By Mr. LANKFORD: A bill (H. R. 15238) granting a pension to Augustus St. Valentine Patten; to the Committee on Pensions.

By Mr. LOZIER: A bill (H. R. 15239) granting an increase of pension to Grace E. Prior; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15240) granting an increase of pension to Nancy R. Eaton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15241) granting a pension to Anna Godfrey; to the Committee on Invalid Pensions.

By Mr. LUCE: A bill (H. R. 15242) granting an increase of pension to Rowena R. Coombs; to the Committee on Invalid Pensions.

By Mr. MAGEE of New York: A bill (H. R. 15243) granting a pension to Leverett Chappell; to the Committee on Pensions.

By Mr. MOORE of Kentucky: A bill (H. R. 15244) granting an increase of pension to Willie Brown; to the Committee on Pensions.

By Mr. MURPHY: A bill (H. R. 15245) granting an increase of pension to Anna McCaffrey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15246) granting an increase of pension to Mary A. Tullis; to the Committee on Invalid Pensions.

By Mr. McFADDEN: A bill (H. R. 15247) granting an increase of pension to Lydia A. Ayres; to the Committee on Invalid Pensions.

By Mr. ROBINSON of Iowa: A bill (H. R. 15248) granting an increase of pension to William Blades; to the Committee on Invalid Pensions.

By Mr. SMITH: A bill (H. R. 15249) granting an increase of pension to Julia C. Roberts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15250) granting an increase of pension to Martha V. Weaver; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 15251) granting an increase of pension to Anna D. Smith; to the Committee on Invalid Pensions.

By Mr. STRONG of Kansas: A bill (H. R. 15252) to provide relief for certain natives of Borongan, Samar, P. I., for rental of houses occupied by the United States Army during the years 1900 to 1903; to the Committee on War Claims.

Also, a bill (H. R. 15253) for the relief of certain officers and former officers of the Army of the United States; to the Committee on War Claims.

Also, a bill (H. R. 15254) granting an increase of pension to Gertrude Staub; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15255) granting an increase of pension to Mary E. Smith; to the Committee on Invalid Pensions.

By Mr. STRONG of Pennsylvania: A bill (H. R. 15256) granting an increase of pension to Jennie E. Truitt; to the Committee on Invalid Pensions.

By Mr. STROTHER: A bill (H. R. 15257) granting an increase of pension to Edmonia V. Ballard; to the Committee on Invalid Pensions.

By Mr. SWOOPE: A bill (H. R. 15258) granting an increase of pension to Mary Martin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15259) granting an increase of pension to Jennie E. Lauth; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15260) for the relief of Alice McCrea; to the Committee on World War Veterans' Legislation.

By Mr. TAYLOR of West Virginia: A bill (H. R. 15261) granting a pension to Virginia Canterbury; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15262) granting an increase of pension to Emily Asbury; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15263) granting a pension to Emily J. Hendricks; to the Committee on Invalid Pensions.

By Mr. THOMPSON: A bill (H. R. 15264) granting a pension to Commodore Perry Fry; to the Committee on Invalid Pensions.

By Mr. TILSON: A bill (H. R. 15265) granting a pension to Lillian I. Roberts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15266) granting a pension to Catherine M. Elliott; to the Committee on Invalid Pension.

By Mr. TOLLEY: A bill (H. R. 15267) granting an increase of pension to Anna Green; to the Committee on Invalid Pensions.

By Mr. UPDIKE: A bill (H. R. 15268) granting an increase of pension to Lizzie Holzworth; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15269) granting an increase of pension to Anna E. Thornbrough; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15270) granting an increase of pension to Carrie Edlen; to the Committee on Pensions.

By Mr. VINSON of Georgia: A bill (H. R. 15271) granting a pension to Elam Cason; to the Committee on Pensions.

Also, a bill (H. R. 15272) for the relief of J. J. Creslein; to the Committee on Claims.

By Mr. WOOD: A bill (H. R. 15273) granting an increase of pension to Sarah F. Dilden; to the Committee on Pensions.

By Mr. WOODRUFF: A bill (H. R. 15274) for the relief of William Morin; to the Committee on Military Affairs.

By Mr. WRIGHT: A bill (H. R. 15275) for the relief of the Central of Georgia Railway Co.; to the Committee on Claims.

Also, a bill (H. R. 15276) for the relief of Mary F. Crim; to the Committee on Claims.

By Mr. MacGREGOR: Resolution (H. Res. 339) providing a clerk to the official reporters of debates and abolishing the office of assistant reporter of debates; to the Committee on Accounts.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4353. By Mr. AYRES: Petition of various citizens of Wichita, Kans., for legislation for Indian war veterans; to the Committee on Pensions.

4354. By Mr. KING: Petition signed by Mr. Fred B. Lehan and 47 other citizens of Table Grove, Ill., stating their reasons for opposing the White radio bill; to the Committee on Interstate and Foreign Commerce.

4355. Also, petition by the city council of Quincy, Ill., urging the passage of the rivers and harbors bill; to the Committee on Rivers and Harbors.

4356. By Mr. MAGEE of Pennsylvania: Petition adopted by the Pennsylvania executive of the American Legion, urging immediate consideration of legislation which will appropriate sufficient funds to erect and maintain a thousand-bed neuropsychiatric hospital near Philadelphia, Pa.; to the Committee on World War Veterans' Legislation.

4357. By Mr. O'CONNELL of New York: Petition of Alexis Witte, of Brooklyn, N. Y., favoring amendment to the trading with the enemy act; to the Committee on the Judiciary.

4358. By Mr. SWING: Petition by certain residents of Santa Ana, Calif., for an acknowledgment of God in the Constitution of the United States; to the Committee on the Judiciary.

#### SENATE

THURSDAY, December 16, 1926

(Legislative day of Wednesday, December 15, 1926)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 13504. An act to amend the act entitled "An act granting the consent of Congress to the Gallia County Ohio River Bridge Co. and its successors and assigns to construct a bridge across the Ohio River at or near Gallipolis, Ohio," approved May 13, 1926;

H. R. 14827. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1928, and for other purposes; and

H. J. Res. 305. Joint resolution authorizing payment of salaries of the officers and employees of Congress for December, 1926, on the 20th day of that month.

#### ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 2855) for the relief of Cyrus S. Andrews, and it was thereupon signed by the Vice President.

#### TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14557) making appropriations for